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PRESIDENT PHILIP:

The regular Session of the 92nd General Assembly will please come to order. Will the Members please be at their desks? Will our guests in the galleries please rise? Our prayer today will be given by Senator Geo-Karis. Senator Geo-Karis.

SENATOR GEO-KARIS:

(Prayer by Senator Geo-Karis)

PRESIDENT PHILIP:

Please remain standing for the Pledge of Allegiance. Senator Radogno.

SENATOR RADOGNO:

(Pledge of Allegiance, led by Senator Radogno)

PRESIDENT PHILIP:

Illinois Information Service has request filming the procedures today. Is leave granted? Leave is granted. Reading of the Journal. Senator Bomke.

SENATOR BOMKE:

Mr. President, I move that reading and approval of the Journal on Wednesday, May 23rd, in the year 2001, be postponed, pending arrival of the printed Journal.

PRESIDENT PHILIP:

Senator Bomke moves to postpone the reading and the approval of the Journal, pending the arrival of the printed transcript. There being no objection, so ordered. Senator Donahue, for what purpose do you rise?

SENATOR DONAHUE:

Thank you, Mr. President. I'd just like to make an announcement, please.

PRESIDENT PHILIP:

Make your announcement.

SENATOR DONAHUE:

That there will be cake in the Well today to celebrate two

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birthdays. We know about Senator Weaver's hundred and twenty-six years as of yesterday, I guess. But also tomorrow, I believe, is Senator Pate Philip's birthday. Saturday? Were you -- it's Saturday.

PRESIDENT PHILIP:

The 26th.

SENATOR DONAHUE:

All right. Well, Saturday, then.

PRESIDENT PHILIP:

But you're close.

SENATOR DONAHUE:

And we're celebrating his birthday today with cake. And we want to wish both of them many, many more years of happiness and we thank you for all you've done for us. But enjoy the cake.

PRESIDENT PHILIP:

Thank you. Senator Watson, for what purpose do you rise? SENATOR WATSON:

A similar privilege.

PRESIDENT PHILIP:

Go right ahead.

SENATOR WATSON:

Thank you. As long as we're celebrating birthdays, my daughter's birthday was yesterday. She's twenty-eight years old. So I will be celebrating her birthday today, along with you, Mr. President and our Majority Leader. But my secretary, Jo Ann Minks, who's back in the office, and hope she has the speaker on, will have a happy birthday tomorrow. And she will be celebrating, I'm not sure what it is, but we won't even bring it up. But she's having a birthday. So I want to wish her a happy birthday, and also celebrate that today.

PRESIDENT PHILIP:

Thank you. Senator Demuzio, for what purpose do you rise?

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SENATOR DEMUZIO:

Well, two -- two comments. One, since we're all in politics, let's -- let's wish happy birthday to everybody that we haven't heard from yet. And two -- happy birthday, Mr. President.

PRESIDENT PHILIP:

I -- I think that's a great idea.

SENATOR DEMUZIO:

Let the record reflect that Senator O'Daniel is still absent today due to the illness of his wife.

PRESIDENT PHILIP:

The record will so indicate. Senator Bowles, for what purpose do you rise?

SENATOR BOWLES:

Point of personal privilege.

PRESIDENT PHILIP:

State your point.

SENATOR BOWLES:

I would -- excuse me. I would like to advise the Members of the Senate that Senator Demuzio and Mrs. Demuzio became grandparents again day before yesterday with a little granddaughter born to their -- to their daughter.

PRESIDENT PHILIP:

Well, congratulations. ...Parker.

SENATOR PARKER:

Thank you, Mr. President. I wanted to introduce the Page I have with me today, Whitney Rutherford, and her parents, who are up in the balcony there, Sally and David Rutherford. They are from my district. Please welcome them.

PRESIDENT PHILIP:

Will she please stand and be recognized by the Senate?

PRESIDING OFFICER: (SENATOR DONAHUE)

...could have the Membership's attention, we are going to go

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to the top of page 26 on your regular Calendar. Going to go to Secretary's Desk, Non-concurrence. On the Order of Secretary's Desk, Non-concurrence is House Bill 2917. Senator Philip. Senator Philip, do you have a motion?

SENATOR PHILIP:

Thank you, Madam President, Ladies and Gentlemen of the Senate. I move to recede -- I refuse to recede from Amendment No. 1 to House Bill 2917 and request a conference committee be appointed.

PRESIDING OFFICER: (SENATOR DONAHUE)

Senator Philip moves that the Senate refuse to recede from the adoption of Senate Amendment No. 1 to House Bill 2917 and that a conference committee be reported {sic}. All those in favor, say Aye. Opposed, Nay. The Ayes have it. And the motion carries, and the Secretary shall so inform the House. Committee Reports.

SECRETARY HARRY:

Senator Weaver, Chair of the Committee on Rules, reports the following Legislative Measures have been assigned: Referred to the Committee on Executive - Senate Amendment 4 to House Bill 2432; to the Committee on Insurance and Pensions - Senate Amendment 2 to House Bill 2099; to the Committee on Judiciary - the Motion to Concur with House Amendments 1 and 2 to Senate Bill 20, and 1, 2 and 3 to Senate Bill 887; to the Committee on Local Government - the Motion to Concur with House Amendment 2 to Senate Bill 915; and to the Committee on State Government Operations - the Motion to Concur with House Amendment 1 to Senate Bill 846.

PRESIDING OFFICER: (SENATOR DONAHUE)

Senator Dillard, for what purpose do you rise? SENATOR DILLARD:

For purposes of an announcement, Madam President.

PRESIDING OFFICER: (SENATOR DONAHUE)

Please state your point.

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SENATOR DILLARD:

The Senate Local Government Committee will meet in Room 400. 400. Not our regular room. 400, at 10:30. Local Government in Room 400, at 10:30.

PRESIDING OFFICER: (SENATOR DONAHUE)

Local Government, Room 400, at 10:30. Senator Robert Madigan, for what purpose do you seek recognition?

SENATOR R. MADIGAN:

Thank you, Madam President. Purpose of an announcement.

PRESIDING OFFICER: (SENATOR DONAHUE)

Please state your announcement.

SENATOR R. MADIGAN:

That the Insurance and Pensions Committee will meet at 10:30, in Room 212. 10:30, in Room 212.

PRESIDING OFFICER: (SENATOR DONAHUE)

That's Insurance and Pensions in Room 212, at 10:30. Senator Klemm, for what purpose do you seek recognition?

SENATOR KLEMM:

Well, purpose of an announcement, Madam President.

PRESIDING OFFICER: (SENATOR DONAHUE)

Please state your announcement.

SENATOR KLEMM:

The Senate Executive Committee will meet immediately upon adjournment in Room 212. Immediately upon adjournment, 212, Senate Executive.

PRESIDING OFFICER: (SENATOR DONAHUE)

Senate Executive immediately following our -- not adjournment, but we'll be at ease. Committee Reports.

SECRETARY HARRY:

Senator Klemm, Chair of the Committee on Executive, reports

Senate Amendment 2 to House Bill 263 Be Adopted and Senate

Amendment 1 to Senate Resolution 152 Be Adopted.

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Senator Hawkinson, Chair of the Committee on Judiciary, reports Senate Bill 725 - the Motion to Concur with House Amendments 1 and 2 Be Approved for Consideration.

Senator Cronin, Chair of the Committee on Education, reports Senate Bill 406 - the Motion to Concur with House Amendment 1 Be Approved for Consideration; and Senate Amendment 1 to Senate Joint Resolution 28 Be Adopted.

And Senator Lauzen, Chair of the Committee on Commerce and Industry, reports Senate Bill 281 - the Motion to Concur with House Amendment 1 Be Adopted.

PRESIDING OFFICER: (SENATOR DONAHUE)

...I could have the Membership's attention, we have basically finished what we need to do at the moment, and we will be recessing until the call of the Chair. You have committee meetings. Executive immediately. Two other committees at 10:30. So we will be recessing until the call of the Chair.

(SENATE STANDS IN RECESS/SENATE RECONVENES)

PRESIDING OFFICER: (SENATOR WATSON)

The Senate will reconvene, and we'd like to have all the Members return to the Floor. Senate is reconvening. Mr. Secretary, Committee Reports.

SECRETARY HARRY:

Senator Klemm, Chair of the Committee on Executive, reports Senate Joint Resolutions 34 and 35 Be Adopted, as Amended.

Senator Dillard, Chair of the Committee on Local Government, reports Senate Bill 95 - Motion to Concur with House Amendment 1, and Senate Bill 915 - Motion to Concur with House Amendment 2, both Be Approved for Consideration.

And Senator Robert Madigan, Chair of the Committee on

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Insurance and Pensions, reports Senate Amendment 2 to House Bill 2099 Be Approved for Consideration.

PRESIDING OFFICER: (SENATOR WATSON)

Mr. Secretary, Resolutions.

SECRETARY HARRY:

Senate Resolution 169, offered by Senator Lauzen and all Members.

It's a death resolution, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

Consent Calendar. Messages from the House.

SECRETARY HARRY:

A Message from the House by Mr. Rossi, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to wit:

House Joint Resolution 26.

Adopted by the House, May 22nd, 2001.

PRESIDING OFFICER: (SENATOR WATSON)

Once again, we'll ask the Members to return to the Floor. We are actually going to begin on page 23, which is Secretary's Desk, Concurrence, Senate Bills. And the first concurrence will be on page 24. First concurrence motion is Senator Rauschenberger's, which is Senate Bill 417. Is Senator Rauschenberger on the Floor? With leave of the Body, we'd like to go back to this order of business, Senate Bill -- 417. Leave is granted. The next concurrence motion is Senate Bill 539. And that's Senator Lauzen. Senator Lauzen on the Floor? Once again, we'll remind our Members we're going back into Session. We'd like to have you up here. You're going to call your motions. We need to have you on the Floor. With leave of the Body, we will -- Senator Lauzen, we're on your order of business, sir, the concurrence motion on Senate

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Bill 539. We're on page 24 of the Calendar. Mr. Secretary, please read the motion.

SECRETARY HARRY:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 539.

The motion, by Senator Lauzen.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

Thank you very much, Mr. President, Members of the Senate.

This House amendment made a technical change to make sure that the language is in the right Section of the statutes.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? Remind the Members, this is final action. And the question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 539. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 57 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 539, and having received the required constitutional majority, is declared passed. We are at the bottom of page 25 on Senate Bill 1329, which is Senator Lightford's bill, but we have a motion from Senator Trotter to concur with House Amendment No. 1. Mr. Secretary, would you please read the motion?

SECRETARY HARRY:

I move to concur with the House in their adoption of Amendment No. 1 to Senate Bill 1329.

The motion, by Senator Lightford.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Trotter.

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SENATOR TROTTER:

Thank you very much, Mr. President, Members of the -- of the Senate. The House Amendment 1 to Senate Bill 1329 requires that emergency medical technicians be trained to administer epinephrine, and they are also mandated to carry epinephrine as part of their medical supplies. This is -- the main intent here is to reduce mortality due to those individuals -- to reduce mortality due to those individuals who have allergic reactions to various different kinds of food groups. Of those food groups, they have peanuts, walnuts, fish, shellfish, eggs, milk, soy and This is a old solution to an old problem. The drug of choice for doctors to treat those who have food allergies is epinephrine. This will raise the bar for our EMTs, to allow them to administer this -- this in their duties as an emergency technician.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Senator Dillard.

SENATOR DILLARD:

Thank you, Mr. President. Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Dillard.

SENATOR DILLARD:

Thank you. Senator Trotter, you're a health care professional in your other life outside of the State Senate. Have we done anything with this vis-a-vis the public schools, and asking schools to have this chemical around as an antidote to allergies in schoolchildren of late?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Trotter.

SENATOR TROTTER:

No, sir. As you know, most of our schools do not, for one, by

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their various school codes, do not allow these kinds of drugs on their -- on their facilities. This is a -- a -- a adrenaline, so it is a -- a serious drug. So, no, they do not have it there. But we've been working with individuals from the Association for Allergies and Asthma Specialists, Mothers and Children for Having Allergies, the Illinois Cancer Society and Illinois Nurses Association to make this better known. Maybe in the future we can go into those school districts and get them also to mandate -- have them have it available for the students. But these reactions are like -- like anything else, Senator. Some people just break out in rashes. Others can just have some simple palpitation -- heart palpitations. But then there's -- ten percent of those people who are affected actually die within minutes. If we equipped our EMTs with this drug, we certainly can be saving some lives.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Further discussion? All -- if not, the -- Senator Trotter, do you wish to close? Or, Senator Lightford is here. Senator Lightford.

SENATOR LIGHTFORD:

Thank you, Mr. President and Members of the Assembly. I rise in support of this legislation. And I'd like to thank Senator Trotter for adding such an awesome amendment, and I ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR WATSON)

This is final action. Senator Trotter, do you...

SENATOR TROTTER:

Favorable roll call.

PRESIDING OFFICER: (SENATOR WATSON)

Okay. The question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 1329. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish?

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Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 57 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 1329, and the bill, having received the required constitutional majority, is declared passed. Senate Bill 1522, at the bottom of page 25, is Senator O'Malley. Read the motion, Mr. Secretary.

SECRETARY HARRY:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 1522.

The motion, by Senator O'Malley.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The amendment to Senate Bill 1522 requires that within six months of the effective date of the Act, each agency must create and make available on the World Wide Web a small business advisory page. This was brought to our attention by DCCA, who -- who felt that this amendment would -- would -- would dramatically improve the initial intent of the legislation, which is intact. And they will act now as a central clearinghouse for all the agencies' web pages. Be happy to answer any questions you may have.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? If not, this is final action, and the question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 1522. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 56 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 1522, and the bill, having received the

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required constitutional majority, is declared passed. The <u>Chicago</u> <u>Tribune</u> wishes to take still photos and is asking for leave. Leave is granted. ...had leave of the Body to return to page 24. Middle of page 24 is Senate Bill 417. Senator Jacobs is going to handle this for Senator Rauschenberger. Mr. Secretary, would you please read the motion?

SECRETARY HARRY:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 417.

The motion, by Senator Rauschenberger.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. Chairman, Ladies and Gentlemen of the Senate. This is a real pleasure, to show bipartisan cooperation. And the House amendment to Senate Bill 417 adds that the discount for electronic payment shall be capped at no more than one thousand two hundred and fifty dollars per return. This bill -- underlying bill allows the liquor industry to -- to get on the -- the same page as petroleum marketers and others that pay their taxes electronically and get the same breaks. So I ask for your support.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? If not, this is final action, and the question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 417. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 57 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 417, and the constitutional majority having been received, is declared passed. Senator Syverson, on the Order

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of Non-concurrence is Senate Bill 1276. Mr. Secretary.

SECRETARY HARRY:

I move to nonconcur with the House in the adoption of their Amendments 1 and 2 to Senate Bill 1276.

The motion, by Senator Syverson.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Thank you, Mr. President. We're moving to nonconcur on these amendments. This is something that's been requested by the -- the House sponsor. And ask for your support of this.

PRESIDING OFFICER: (SENATOR WATSON)

Discussion? Senator Obama.

SENATOR OBAMA:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Obama.

SENATOR OBAMA:

Senator Syverson, I know that this bill came up earlier, and — and we had some discussion about it, but I — I did want to talk to you about a couple of the amendments that came up. As I understand it, the amendments that you're now asking for nonconcurrence essentially did not change the basic format. It — it would have still retained the Pharmaceutical Assistance Program Review Committee. The two amendments essentially added a couple of groups who have some significant interest in this issue, specifically the Illinois State Council of Senior Citizens, Citizen Action, Metro Seniors and the Illinois Association of Area Agencies on Aging. And then a separate amendment also added the Illinois Retail Merchants Association, which obviously has a significant interest in pharmaceutical drugs. What I'm trying to

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understand is why we would not want to have a more inclusive panel. This is an issue that I asked when it first came out. still haven't gotten an entirely persuasive reason as to why if this is basically a program review committee, why we wouldn't want to make sure that those organizations that have been actively involved and interested in this issue wouldn't want -- we wouldn't want them participating.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Thank you, Senator. That's a good question, and I know this is one we've discussed before. I -- I think it's important for us to point out that this is not precluding any group from being involved in the process. Our original goal, in coming up with the list of the original group of members, was to have nonpartisan groups involved in this, but certainly the ability of partisan groups to -- to be involved in the -- the process, but the board itself to be made up of individuals who will more, I think we believe, nonpartisanly look at this issue.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Obama.

SENATOR OBAMA:

Well, let me ask you, Senator Syverson. Who are the groups that are currently involved? Because you're indicating that we're looking for nonpartisan organizations. Can you give me the list of organizations that you consider nonpartisan? And, MΥ. President, I'm having a little trouble here.

PRESIDING OFFICER: (SENATOR WATSON)

Can we have some order, please? Senator Syverson.

SENATOR SYVERSON:

Thank you. The -- the original list included the Director of Aging or designee, the Director of Revenue, Public Aid, Human

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Services, a representative from AARP, a representative from the Pharmaceutical Research, also a representative from the Pharmacists Association, as well as Legislators from each of the -- the four caucuses.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Obama.

SENATOR OBAMA:

Was the Medical Society one of the organizations involved?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Excuse me. Yes. The Medical Society was added in, as well as the Public Health -- Director of Public Health, were two that I forgot to mention.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Obama.

SENATOR OBAMA:

I -- I guess the last time I checked, my good friends at the Medical Society often take fairly partisan positions on issues, particularly related to health care. AARP, my dear friends, often take what might be construed as partisan positions on health care issues. So I guess I'm trying to figure out what distinguishes Illinois Metro Seniors, for example, from a AARP, or distinguishes the Retail Merchants from the Medical Society, in terms of participation in this task force.

PRESIDING OFFICER: (SENATOR WATSON)

That a question?

SENATOR OBAMA:

That is a question.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

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Well, Senator, as far as I know, Metro Seniors have not been requested to be added and were not part of the -- any of the amendments, to be added. So it's not -- Metro Seniors is not one that has been part of the discussion.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Obama.

SENATOR OBAMA:

The -- I misspoke the -- part of the -- the Fair enough. State Council. I think you understand the nature of my question, though, Senator Syverson. What I'm still trying to figure out is, we've got a couple of organizations that have been extraordinarily active on this issue, have been front and center on this issue. These are nonprofit organizations, 501(c)(3) organizations, that have done as much as any organization down here to be involved in this issue of pharmaceutical assistance and the high cost of prescription drugs. They have been added by the House. the House sponsor of the amendment indicated that they should participate. You indicated to me that the reason they're not participating is we don't want partisan groups involved here. And I'm still trying to figure out what makes them partisan and the groups that are involved nonpartisan, such as the Medical Society. PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Again, I guess, not to keep going over the same issue, the -the purpose of the committee -- the -- of the original group of
fifteen members that we're looking at was supposed to represent a
wide spectrum of individuals who are affected by this. We
originally put on there AARP as the lead representative group of
seniors. This does not preclude any other groups from
participating in the meetings, like the Illinois State Council of
Senior Citizens. They certainly have the ability to participate

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in there. But we believe that having one representative from each of these different organizations, -- and the fact that AARP was already on, is -- is the way that we have the best result. If we get the group too big, then it always creates potential problems of trying to get results done.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Obama.

SENATOR OBAMA:

To the bill -- or -- or to the nonconcurrence on -- on the I -- my understanding was that the purpose of a Pharmaceutical Assistance Program Review Committee was to bring together interested parties to try to figure out how we could solve this pressing problem of prescription drugs. Obviously, this side of the aisle has some proposals that have been bottled up and have been rejected. That's part of, you know, give-and-take that takes place in the Legislature. The other side has some proposals that maybe have been rejected in the other Chamber. My assumption would be that the purpose of this would be to see if we could all come together and arrive at some sensible program. The -- the problem that I see is that if all we're doing for this review program, or any task force like this, is to bring together people who have already agreed and think alike, and aren't going to offer any dissenting opinions and aren't going to be -- and -- and that this organization is not going to be entirely representative of the full spectrum of views that exists on this important issue, that, in fact, it's not going to accomplish much. And for that reason, I would actually ask that we have a roll call on this, because it's my position that, this organization -- this review committee would be more representative if, in fact, we accepted the House amendments. I would urge, in fact, that we accept and adopt the House amendments.

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PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Welch.

SENATOR WELCH:

Thank you, Mr. President. You know, here in the last few days the Session, sometimes -- sometimes creating a conference committee is a way to kill a bill. And what we've been hearing from the House of Representatives is that they may not call all of the conference committees coming over from the Senate that are created. In fact, they want to get out of town as soon as they can, once the budget is passed. So I'm here to second the motion by Senator Obama and, further, to say that we can create the task force right here right now by voting No on this proposal to adopt these -- to nonconcur in these amendments. So I would urge the Body to concur -- to -- to vote No on the motion to nonconcur. Send this to the Governor. Let's create the task force. Let's doing something about bringing down the cost of pharmaceuticals in this State instead of possibly putting this off for another six months to a year by not creating this task force. So I would urge a No vote. Thank you.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Petka.

SENATOR PETKA:

Thank you very much, Mr. President. I think that should we follow the suggestions of the other side of the aisle, we would be setting a very, very bad precedent. It has always been the tradition of this Body -- in fact, the Body on the other side of the Rotunda, that a sponsor votes on the bill in the way that he wishes it to be voted upon. And I do believe that if the sponsor wishes, for whatever reason he chooses, to -- to not have a certain amendment or amendments on his bill, that that's his prerogative. And, you know, I would -- I would just hope that the other side of the aisle would reconsider the action that they're

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about to take.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Demuzio.

SENATOR DEMUZIO:

Well, thank you. On a matter of parliamentary inquiry, I suspect. With respect to the last speaker, in our rules on page 28 {sic} (29), Article VIII, Joint Action, Concurring in or Receding from Amendments. "If a bill or resolution is received back in the Senate with amendments added by the House, it shall be in" -- "in order for the principal sponsor only to present a motion 'to concur' or 'not to concur and ask the House to recede' with respect to those amendments. Any two Members may demand a separate roll call on any such amendment." It is certainly within the purview of our -- of our rules. Now, if the motion is put to a -- to a question and the motion to nonconcur is -- does not receive thirty affirmative votes, then the motion to nonconcur fails. The -- the -- the concurrence of this bill remains on the Calendar under the purview and the sponsorship of the principal sponsor. Is that correct so far?

PRESIDING OFFICER: (SENATOR WATSON)

Actually not. But we're going to get a response here for you. You know, and another thing, would people turn their cell phones off? Especially in the gallery. Thank you. Senator Demuzio, this motion is not a final action, and as a result, requires a majority of those present and voting to prevail, not thirty votes, as you indicated. Senator Syverson, to close.

SENATOR SYVERSON:

Thank you, Mr. President. This is an issue that we've tried to work on this whole Session to address the pharmaceutical issue, to try to set up a -- a committee that we believe of a broad range of -- of groups that can come together and make recommendations to this Legislature on what is the best way within our budget to --

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to deal with the pharmaceutical issues for seniors. We believe the original list of the seventeen that we came up with addresses that broad array of -- of groups. As we said before, this is certainly open for any group to participate in this. And with that, I would urge that -- for a Yes vote.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson moves to nonconcur in House Amendments 1 and 2 to Senate Bill 1276. All those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 33 voting Yes, 22 -- I beg your pardon, 24 voting No, no voting Present. The motion carries, and the Secretary shall so inform the House. Going to move to Supplemental Calendar No. 1. Should be distributed on your desks. Supplemental Calendar No. 1. We're on Supplemental Calendar No. 1. Top of the page is Senate Bill 95, under the Order of Concurrence. Mr. Secretary, please read the motion.

SECRETARY HARRY:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 95.

The motion, by Senator Peterson.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Peterson.

SENATOR PETERSON:

Thank you, Mr. President, Members of the Senate. Senate Bill 95, as it left the Senate, stipulated that the recording of maps and plats does not apply towards plats for consolidation or resubdivision of two or more contiguous parcels in territory outside the municipality's jurisdiction into smaller number of parcels. In the House, the amendment that was put on was an agreed amendment. The municipalities wanted a clearer definition and some of the counties wanted to become exempt. So the amendment

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would take out the word "resubdivision". The amendment adds language that makes the -- applicable to counties that adopted a subdivision ordinance and has a population exceeding two hundred and fifty thousand. In addition, a plat for consolidation in excess of ten acres of {sic} a plat with over ten lots is not eligible under the Act. And all counties that have received requests to approve a plat for consolidation must give notice to all municipalities located with -- within one and one-half miles of the subject property within ten days from receiving the request. I know of no opposition. I ask for you to support the motion.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? If not, this is final action, and the question shall be before the Senate, shall we concur in House Amendment No. 1 to Senate Bill 95. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 57 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 95, and having received the required constitutional majority, is declared passed. Senate Bill 281 is Senator Roskam. Madam Secretary, please read the motion.

ACTING SECRETARY HAWKER:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 281.

Motion filed by Senator Roskam.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Roskam.

SENATOR ROSKAM:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Senate Bill 281 and House Amendment No. 1 is putting a statute of limitations on the ability of the Department of Labor to go after

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somebody in terms of enforcement of wage disputes and so forth. As it left this Chamber, we had a three-year statute of limitations. As it came back from the House, the House moved that to five years. The AFL-CIO is neutral on this bill. And I would move its concurrence.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? If not, this is final action, and the question, shall the Senate concur in House Amendment No. 1 to Senate Bill 281. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who Have all voted who wish? Have all voted who wish? Take wish? the record. On that question, there's 55 voting Yes, 2 voting no, no voting Present. The Senate does concur in House Amendment No. 1 to Senate Bill 281. And the bill, having received the required constitutional majority, is declared passed. On Senate Bill 406. Senator Watson. He asks leave to present that bill, possibly later time. Is leave granted? Leave is granted. Senate Bill 725. Senator Clayborne. Madam Secretary, please read the motion. ACTING SECRETARY HAWKER:

I move to concur with the House in the adoption of their Amendments 1 and 2 to Senate Bill 725.

Motion filed by Senator Clayborne.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Clayborne.

SENATOR CLAYBORNE:

Thank you, Mr. President. There have been two amendments to Senate Bill 725, the first -- the first amendment being three technical changes. The first replacing registered agent -- replaces "changes" with "change" -- with the word "change". The second technical amendment is the replacing of the word -- deletes and adds "or". And the third is to change member -- member's to -- power to dissociate with members managed -- I mean,

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members-managed with the word "manager-managed". I said these were technical changes. House Bill -- I mean, the second amendment to it was to make a substantive change in the Section relating to corporate name of domestic or foreign corporations by adding the corporate name of a domestic corporation or a foreign corporation existing or subject to the provisions with the Act, it must end with the letters "NFP" or not-for-profit. And those are basically the -- the changes that have been made. I ask for your favorable vote.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Any further discussion? If not, this is final action, and the question is, shall the Senate concur in House Amendments 1 and 2 to Senate Bill 725. Those in favor, vote Aye. Opposed, vote -- I beg your pardon. Dick, did you have your -- Senator Klemm, have your button up? A question. We were in the middle of the roll call.

SENATOR KLEMM:

I have a question of the sponsor. I was curious, does that mean every nonprofit organization will have to resubmit in order to get the -- NFP, or whatever it is, after their name?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Clayborne.

SENATOR CLAYBORNE:

No, we don't think so. We think that this is going forward, Senator Klemm.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Klemm.

SENATOR KLEMM:

Well, let's do some legislative intent then. Because what you're going to do is create a lot of paperwork if you "don't think so". Why don't we -- why don't we just say the legislative intent is that when they renew or new ones, they would have to

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include it, but not that every nonprofit organization in the State of Illinois would be required to do this or not be in compliance with the law? I think that would be asking too much, and I don't think that would be your intent.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Clayborne.

SENATOR CLAYBORNE:

I agree to your legislative intent, Senator Klemm.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any other discussion? Questions? Final action. Question shall be, before the Senate, shall we concur in House Amendments 1 and 2 to Senate Bill 725. Those in favor, vote Aye. Opposed, vote No. The voting's open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 57 voting Yes, no voting No, no voting Present. The Senate does concur in House Amendments 1 and 2 to Senate Bill 725, and the constitutional majority being required, is declared passed. Senator Shadid, on Senate Bill 915. Madam Secretary, please read the motion.

ACTING SECRETARY HAWKER:

I move to concur with the House in the adoption of their Amendment No. 2 to House -- pardon me, to Senate Bill 915.

Motion filed by Senator Shadid.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Shadid.

SENATOR SHADID:

Thank you, Mr. President. Senate Bill 915. I move to concur with House Amendment No. 2 to Senate Bill 915. The amendment simply narrows the scope of the bill to permit the Peoria Park District to give property to the State of Illinois if the property is contiguous to a State park. I'd appreciate a affirmative vote. PRESIDING OFFICER: (SENATOR WATSON)

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Is there any discussion? Is there any discussion? If not, this is final action, and the question is, shall the Senate concur in House Amendment No. 2 to Senate Bill 915. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take On that question, there's 56 voting Yes, no voting the record. No, no voting Present. The Senate does concur in Amendment No. to Senate Bill 915, and the constitutional majority -- is declared passed. Senator Jacobs, for what purpose do you rise?

SENATOR JACOBS:

...personal privilege.

PRESIDING OFFICER: (SENATOR DUDYCZ)

State your point.

SENATOR JACOBS:

Thank you, Mr. -- Mr. President. On the Democratic side of the aisle here, we have with us today a constituent of mine and also the administrative assistant to Congressman Lane Evans, Mr. Phil Hare, and I'd like to have him stand and be recognized.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Will our guest in the gallery please rise and be recognized? Welcome to Springfield. The middle of page 2, in the Order of -of the -- middle of page 2 of Supplemental Calendar No. 1, in the Order of Secretary's Desk, Concurrence, Senate Bills, is Senate Bill 406. Madam Secretary, read the motion, please.

ACTING SECRETARY HAWKER:

I move to concur with the House in the adoption of their Amendment No. 1 to Senate Bill 406.

Motion filed by Senator Watson.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Thank you very much, Mr. President. House Amendment No. 1

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comes to us from the Board of Higher Education and the Illinois Student Assistance Commission. It implements provisions to update the Board's grants program. It -- the Illinois Student Assistance Commission - increases their statutory bonding authorization with no State funding. It provides a transfer authority among the ISAC's Federal Student Loan Fund. It has no fiscal impact to the State. The underlying bill was the maximum Award Program grant to help college education for -- affordable -- Illinois students.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Is there any discussion? If not, the question is, shall the Senate concur in House Amendment No. 1 to Senate Bill 406. All those in favor will vote Aye. Opposed will vote Nay. The voting is open. Have all voted who wish? Take the record. On that question, there are 56 Ayes, no Nays, none voting Present. And the Senate does concur in House Amendment No. 1 to Senate Bill 406. And the bill, having received the required constitutional majority, is hereby declared passed. Senate Bill 725. Senator Clayborne. Oh, I beg your pardon.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Wendell Jones, for what purpose do you rise, sir? SENATOR W. JONES:

Yes. A point of personal privilege.

PRESIDING OFFICER: (SENATOR WATSON)

State your point.

SENATOR W. JONES:

I was up quite late last night baking a cake for the respected Senator Weaver. And I also have learned that the respected President of the Senate is also having a birthday on Saturday. And if Senator Weaver is a hundred and twenty-three, then this gentleman's a hundred and twenty. So we'd like to wish a happy birthday to Pate Philip and Senator Weaver, and have some cake

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down here.

PRESIDING OFFICER: (SENATOR WATSON)

Will our guests in the Senate please rise? And we'd like to welcome you both to the Senate. Senator Philip, Senator Weaver, would you please rise? Happy birthday to you both. Senator Geo-Karis, you're not going to sing, are you?

SENATOR GEO-KARIS:

Mr. President, on a point of personal privilege.

PRESIDING OFFICER: (SENATOR WATSON)

Please state your point.

SENATOR GEO-KARIS:

First, I want to wish both Senator Weaver and Senator Philip a happy birthday. Now they're getting closer to me. And second, I would like to introduce, somewhere in the gallery, two of my constituents, David Schwandt, S-C-H-W-A-N-D-T, who is here with his son, Jared, J-A-R-E-D, Schwandt, from Libertyville, and whose grandfather -- late grandfather was a very distinguished appraiser from Libertyville, in Lake County, Illinois. And I'd like you-all to welcome them here for -- for today's Session.

PRESIDING OFFICER: (SENATOR WATSON)

Well, we'd like to invite our friends in the gallery and guests to please rise. And we certainly welcome you here in the Senate. Glad to have you here. We're on page 23. Senator -- Secretary's Desk, Resolution. We have Senate Resolution 152. I beg your pardon. Senate Joint Resolution 28. Senator Cronin. Mr. Secretary, please read the resolution.

SECRETARY HARRY:

Senate Joint Resolution 28, offered by Senator Cronin.

No committee amendments. One Floor amendment, offered by Senator Cronin.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin.

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SENATOR CRONIN:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Senate Floor Amendment No. 1 to Senate Joint Resolution 28 deals with the issue of mandate waivers. We're all familiar with this process by now. As you all know, this is our way of promoting local control. We permit local school districts to seek waiver of certain mandates, and we can review these mandates and pass on them, permitting them to happen, or denying them. In this case, in this round of waivers, we have elected to deny a number of different requests, and there are three categories: substitute teachers; number two, physical education; and number three, assessment. With respect to substitute teachers, the basis for our denial is due to the fact that Senate Bill 1293 and House Bill 2425 have both passed and are on the Governor's desk, awaiting his signature. Those bills deal with the issue of substitute teachers, and we think they deal with it effectively, thereby -- does not require the need for these Secondly, in the area of physical education, we are denying a request from Decatur School District 61 and Athens Community Unit And lastly, in the area of assessment or School District 213. testing, we -- we had a very, very productive meeting with the Antioch School District. The superintendent and principal offered a very, very compelling case for permitting them to waive the requirement of the Prairie State Achievement Exam. We felt, however, that we would deny that request only because we are currently in the process of scrutinizing, reviewing and holding hearings on the issue of testing. And we have invited the Antioch school leaders to participate in that process, and -- and we also have encouraged them to refile their request for waiver in the So, with that, I'd be happy to answer questions.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Geo-Karis.

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SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, Antioch High School District is in my district and that district has done wonders on its own. And it bothers me to think that bureaucratic procedures from the State feel that they can do better, when they haven't done better in the past. And I feel that that waiver should have been granted to the Antioch High School District, 'cause this is one high school district where the people, the parents, the teachers and the students are all working together in order to have a good assessment and to comply very well with what is expected of them to do. And therefore, I will vote No on this resolution, since you excluded Antioch.

PRESIDING OFFICER: (SENATOR WATSON)

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Further discussion? Senator Woolard.

SENATOR WOOLARD:

Yes. As a Member of the Education Committee, I'd like to request that our side of the aisle give serious consideration to supporting the denial as requested. I believe that this is the right approach at this time on all of these issues.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? If not, Senator Cronin, to close.

SENATOR CRONIN:

Thank you very much. We've discussed the issues, a thorough debate in committee. Keep in mind, as a matter of perspective, that the overwhelming majority of waiver requests are granted. And I would suspect over ninety percent of those requested are -- are granted. We do believe in local control, but from time to time, we assert ourselves. We think this is appropriate. Ask for your favorable consideration.

PRESIDING OFFICER: (SENATOR WATSON)

This is on the amendment. And all those in favor, say Aye.

Opposed, Nay. The Ayes have it, and the amendment is adopted. Are

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there any other Floor amendments approved for consideration? SECRETARY HARRY:

No further amendments reported, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

Mr. Secretary, please read the resolution.

SECRETARY HARRY:

Senate Joint Resolution 28, offered by Senator Cronin.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin.

SENATOR CRONIN:

I just move that we adopt Floor Amendment No. 1. We've adopted it. Thank you. Now I'd ask for your favorable consideration of the resolution.

PRESIDING OFFICER: (SENATOR WATSON)

Discussion? Senator Welch.

SENATOR WELCH:

I have a question of the sponsor.

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Welch.

SENATOR WELCH:

Senator, did you say that you took out all the requests for physical education waivers?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin.

SENATOR CRONIN:

Just two. We -- we review the testimony. We -- we carefully examine the merits and demerits, and we try to examine whether or not the school district has offered some alternative, rather than simply abolishing physical education. If there is some other program that they are promoting in its place that offers some sort of physical exercise, we would be inclined to permit the waiver to go through. In this case, I believe, if you looked closely, there

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was no effort to -- to try to offer any alternative.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Welch.

SENATOR WELCH:

So we basically don't have any State position on whether students in grade school or high school should have daily physical education. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin.

SENATOR CRONIN:

No. We -- we are one of the few states that mandates physical education in the schools. These schools were asking to be relieved of that mandate and -- and we said no. So you -- you should like this.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Welch.

SENATOR WELCH:

I thought you said you only took out two schools who requested mandates of P.E.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin.

SENATOR CRONIN:

Well, as I stated, we did grant I think -- I don't know exactly how many. We do grant a waiver request consistent with the objective - we granted seventeen - if they offer an alternative. A classic example I use all the time is the -- the marching band that -- that comes down here and says, "Gee, you know, the kids don't -- you know, they're marching around, physical exercise two hours a day. It's exhausting. Do they -- do they have to play volleyball in addition to that?" And -- and so we would be inclined to grant that kind of a request.

PRESIDING OFFICER: (SENATOR WATSON)

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Is there any further discussion? Senator Cronin, do you wish to close?

SENATOR CRONIN:

We said it all. I think we've said it all. I appreciate the discussion. And once again, for local control, ask for your favorable consideration of this resolution.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cronin moves the adoption of Senate Joint Resolution 28. Those in favor, say -- vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 53 voting Yes, 3 voting No, 1 voting Present. And that motion is adopted. And the resolution passes. In the middle of page 23, Senate Resolution 152. Mr. Secretary, please read the resolution and the amendment.

SECRETARY HARRY:

Senate Resolution 152. The sponsorship has been changed from Senator Philip to Senator Syverson.

There are no committee amendments. One Floor amendment, offered by Senators Syverson and Philip.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Thank you, Mr. President. What this resolution is attempting to do -- as you know, the Senate really took a leadership role in initially passing KidCare and we've had some great success with that program, in fact, one of the more successful programs in the country. But we believe now, after a couple of years of this program and because of the amount of children involved in it and the cost of the program, we believe that it's time that we have a review of this program. This resolution asks for us to do a -- a checkup, a physical evaluation of this program, and to take a look

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to make sure that it's doing all that it was intended to do. I'll be happy to answer any questions; otherwise, ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Any discussion? If not, all those in favor, say -- hey, there's not a light on, so -- all right. Senator Jones finally turns his light on. Senator Jones. Emil Jones.

SENATOR E. JONES:

My brother, Wendell, over there don't like you making those kind of remarks. Just a...

PRESIDING OFFICER: (SENATOR WATSON)

Do you have a question, Senator Jones?

SENATOR E. JONES:

Yes, I do, Senator Watson.

PRESIDING OFFICER: (SENATOR WATSON)

Well, proceed.

SENATOR E. JONES:

Senator Watson. Senator, what's the purpose of the resolution? What's the whole thrust?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Well, as I mentioned, this is a large program that has grown immensely over the last two years. We believe that there should be a review of a program that involves so many children, to make sure that it's doing all that it was intended to do, that it's serving all those that it was intended to serve. And this is just a -- a checkup that's really needed to be done on a program of this size.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Jones, we'd request that you turn your light on when

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requesting to speak. Thank you. Senator Jones.

SENATOR E. JONES:

Thanks, if you'd leave it on. Senator, the information that you're seeking, is that readily -- available from the Department of Public Aid?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Much of this information probably is, but we believe having an independent audit or an independent investigation, working with the Department, will give the Legislature, I think, the truest picture of the -- the entire program.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Hendon.

SENATOR HENDON:

Thank you, Mr. President. I have no -- no comment on the resolution. I just want to say to the Chair that I would appreciate it if you would show our Leader the respect that he deserves over here. I know it's late and people are getting tired, but we would never address Senator Philip in such a way, and I don't think you should address Senator Jones in -- in such a harsh way as you just did. Please respect our Leader, and we'll respect yours.

PRESIDING OFFICER: (SENATOR WATSON)

That's fine. All I was asking, Senator Hendon, is there was no light on, and it seemed as though there was a request to speak, but no light was flashing. Senator Shaw.

SENATOR SHAW:

Thank you, Mr. President. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield.

SENATOR SHAW:

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On this resolution, have we had similar resolutions to look at organizations, and could you name some of those organization that we have looked at that spends millions of dollars?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Yes, this is a -- a normal practice and one of the reasons why we've put the Auditor General's position into place. Have we done this before? Sure. We've done this with the child support program here in this State. So this is a normal program. That's one of the reasons, again, why we have the Auditor General to begin with, is to give the Legislature -- when we request a independent review of a program, so we feel comfortable with it.

PRESIDING OFFICER: (SENATOR WATSON)

_____(____

Senator Shaw.

SENATOR SHAW:

Long as I have -- and I'm not exactly sure who we're looking at here. Exactly who are we looking at in this resolution, and what organization?

PRESIDING OFFICER: (SENATOR WATSON)

Senator -- Senator Syverson.

SENATOR SYVERSON:

We're not looking at any organization. I think, if you look at the -- the -- what the requests are of this program, we are looking at the procedures that the Department uses in how they enroll, how individuals are re-enrolled, are they getting the message out to the right children, is there any problems with how that enrollment is done, how the application process is done. This is not earmarked towards any department, any individual, any of the groups that are doing it. This is an overview of the entire program so we can get firsthand knowledge of how successful this program is, where we may be failing children, and where we

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need to make improvements so this program can do all that it was intended to do, which is serve the children of Illinois who need this kind of health care.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Shaw.

SENATOR SHAW:

Well, where do we plan to get the money to do this at? Do you have an appropriation somewhere to do this?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Yes, sir. The money for this program is in the Auditor's budget. Every year we give the Auditor General a certain amount of dollars that's used to do four or five of these audits every This is one of those that they would do. So there is nothing increased or added to the budget to cover this program. This is just going to give us a -- a good look at a -- we think a good program, but make sure if there are things that we can do to make it better, we need to do that on behalf of the children of this State.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator del Valle.

SENATOR dEL VALLE:

Thank you, Mr. President. You know, I find it interesting that we've decided to look at the program at a time when the program is working wonderfully. We didn't look at the program when it first started in 1998, when enrollments were really low. And we pulled in community groups, we pulled in churches. We all cooperated and we were able to -- once George Ryan took over, to improve this program, and it's working wonderfully now. think this resolution is all about, this resolution is about providing cover, providing cover for our failure to do what we

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should be doing, and that is expanding the program to include family care. Since it's been decided that we're not going to do that expansion, an expansion that has received tremendous support from everywhere - we decided not to do that - now we have a resolution that says, "We're going to look at a program. We're going to look at a program. We're going to look at a program that's working very well." It's working very well. The enrollment has gone up tremendously. We now have an opportunity to expand this, to help more people, but now the resolution says, "We're going to look at this. We're going to study. It's going to take a year, and we're not going to do any changes to the program because we're studying the program." That's what this resolution is all about. And I think that's sad. PRESIDING OFFICER: (SENATOR WATSON)

Is there any further discussion? Is there anybody else that wishes to speak? If not, Senator Syverson, would you like to close?

SENATOR SYVERSON:

Yes. Thank you, Mr. President. Senator del Valle, I think historically we've never looked necessarily at the number of people in a program and said it's a good program just because we have a large number of people in it. If we believe that there is a way that we can be more cost-effective in this program, that's going to allow us to free up dollars to do other programs or to do expansion of programs. This has no bearing or any tie with family care. I think the -- the other Chamber has made it very clear as to the priorities and whether or not there are dollars to effect family care or expanding other health care programs. nothing to do with that. This says, "Can we do a better job?" "Even though it's a good program, can we improve this program for children of this State and can we do it more cost-effectively?" And I think it's worth looking at. Thank you,

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Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

Remind the Members that this is the amendment. All those in favor, say Aye. Opposed, Nay. The Ayes have it. And the amendment is adopted. Any further Floor amendments, Mr. Secretary?

SECRETARY HARRY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR WATSON)

Mr. Secretary, will you please read Senate Resolution 152?

SECRETARY HARRY:

Senate Resolution 152, offered by Senator Syverson.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Thank you, Mr. President. I would just ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR WATSON)

Discussion? Senator Demuzio.

SENATOR DEMUZIO:

I just had one question. I've been sitting here listening to the debate with respect to this matter. Commanding the Auditor General to conduct the audit, do we not usually and ordinarily conduct an audit on these -- with these programs? And isn't this included in the usual, ordinary and customary audit schedule of the Auditor General?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

This is a little, I think, different, because it's a program and a -- a manager audit, which is different from the other types of audits that historically are done.

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PRESIDING OFFICER: (SENATOR WATSON)

Senator Demuzio.

SENATOR DEMUZIO:

All right. Let me ask you another question then. This is always picked up...

PRESIDING OFFICER: (SENATOR WATSON)

...excuse me. Senator Demuzio, proceed.

SENATOR DEMUZIO:

This -- this is -- this is picked up, though, in the usual compliance audit of the Auditor General simply because of the fact that when they're auditing Public Aid, they're auditing all of its components. And we are required, as I understand it, by the federal government to have an audit of this program in order to be in compliance; otherwise, it wouldn't get any additional dollars. So, we are, in fact, already auditing the program. Rather than suggesting, somehow or other, that it hasn't been -- hasn't been looked at, we -- we already do it during the course of normal action. I was wondering why we would spend the extra -- extra dollars to do this -- this special audit?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Well, Senator, that's a good question, and maybe we should try to define the difference. The compliance audit is something that does need to be done and is done on a normal basis. This is a -- a broader area, in getting into program and management issues, which are not part of the normal compliance audit. This is something that we have done, as we said, with child support. This is something we've done with DCFS. When we're involving the safety and the lives of children, we think we should be as thorough as possible to make sure that what we are doing is the best that we can do. And if we can make improvements, we should

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look to do that.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Demuzio.

SENATOR DEMUZIO:

Well, I really don't think we -- this -- this is really necessary. I mean, if you -- if we're in there on the usual, ordinary compliance audit, if we are also complying with the feds with respect to the audit that they need for our -- our justification for utilizing the federal funds, making sure that they're used in -- in -- in the manner in which they've been applied for, then all we have to do is ask the Auditor General to do that which you are requesting when he goes in and does the ordinary audit.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Well, Senator, under that same scenario then, we would not have done the review and the -- the Auditor's investigation of child support, because they were in compliance, and they did the compliance study. And I think all of us would agree that we needed to do a little bit more than what is acceptable under the compliance standard, and by getting into a management and program review, we're going much deeper than what is normally done with just the compliance audits.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Demuzio.

SENATOR DEMUZIO:

Well, again, I guess there were -- there were extraordinary circumstances by which we went into the -- the programs that you mentioned because of the difficulties that were encountered as a result of the administration of those programs. Again, I don't --I don't wish to quarrel with you with respect to what you're

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attempting to do, but I think this is -- frankly, is something that we -- we don't necessarily have to do. We could just simply ask the Auditor General -- ask the Audit Commission - you have Members, we have Members - simply to do this during the ordinary course of the compliance audit and add the provisions that you're asking for, and it, in fact, would be done, rather than conducting this special audit. So I -- I -- it doesn't make any difference what you do here; we're just spending more money.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Hendon.

SENATOR HENDON:

Thank you, Mr. President. Would the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Hendon.

SENATOR HENDON:

Senator Syverson, are you also asking that the private portion of -- of KidCare, where they get a subsidy to go out and get private insurance, the more financially secure recipients of this money, are you asking them to be audited as well, or are you just going after the -- the poor people?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Senator, this program only addresses low-income families. There isn't a -- a differential. Those who can qualify for the rebate program are in the same income level as those that are in the other program. So, this is not an income differential. But, yes, the rebate program is a part of KidCare, and, of course, the rebate program would be something that would be reviewed at, to make sure that that is doing all it's intended to do as well.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Hendon.

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SENATOR HENDON:

Are you calling for a audit of the private companies or are you not?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Again, I'm not sure what you're referring to, but the rebate portion of KidCare, if that's what you're talking about, is a part of KidCare, and, yes, that portion is every bit as much being reviewed as the non-rebate portions of the KidCare program.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Hendon.

SENATOR HENDON:

Well, as -- I'm -- I'm reading through your resolution and I see several things here that disturb me, so why don't we just try to cut to the chase? Did you call for this audit before or after there was negative -- press about Reverend Jesse Jackson and Operation PUSH's involvement in KidCare, or -- or are you really after Reverend Jackson with this resolution?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Senator, as you know, or of anyone that's been involved with me before, I have -- I've always raised concerns about KidCare, to make sure it's doing all it was intended to be. It's my understanding that what you're referring to is a outreach grant that was given last year that I don't think is in even this year's budget. So, no, I don't think that is something that even is going to be reviewed, because that is not a ongoing part of this program. That was something that was done last year.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Hendon.

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SENATOR HENDON:

Well, as -- as I read your resolution, you're calling for a -a review of all the contracts, the terms of the contracts, the
responsibilities outlined in the contracts, fulfillment of the
contracts and responsibilities, and it goes on, and on, and on, a
-- a profile of the -- socio-economic profile of the applicants,
to summarize that. Are you suggesting that -- that Governor
Ryan's Office has done something wrong with KidCare and that
someone is -- should possibly be indicted for misuse of KidCare?
Or if not, what is the purpose of this?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson.

SENATOR SYVERSON:

Thank you again for your -- your question. The fact that we are asking the Auditor to look at when the State, in the future, gives out contracts for working with KidCare, that they give an outline or an explanation of what they're going to be doing with that program, I would think any one of us would want to know that information and know what guidelines are being used in the future. This is not looking back; this is looking at what the -- what the program is going to do in the future to the program. And as far as studying the -- the details of who they're reaching out to, we want to make sure that this program is reaching every segment of uninsured children, regardless of what part of the State that you come in -- from, regardless of your race, color, creed, that this program is going to be opened up, and that every low-income child has the ability to know about this program and get into this program.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, we all

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want to help kids, but we also should be accountable to be sure that the kids get the help and not a lot of the money going in for administrative costs and other folderol. And I don't care who it is that's going to be involved in this program, the State of Illinois, the citizens demand accountability from us. And what this bill is asking for is genuine accountability so that we can face our voters back home and say, "This is what we're doing with your money, and that's where the money is going." And I certainly think it's commendable of Senator Syverson to bring up this resolution, and I urge a favorable consideration, if you want to be accountable to the taxpayers of Illinois.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Rauschenberger.

SENATOR RAUSCHENBERGER:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. This year in the appropriations process, we had about four hours with the Department of Public Aid, and their budget's a little over seven billion dollars. We don't get the opportunity, in the appropriations process, to get into programmatic detail. fundamental difference in the statutes between a financial compliance audit and a program management audit. The statutes call for us, by resolution, to request programmatic audits. Senator Syverson is doing what we should be doing when we have concerns and questions. Everybody is very interested in enrolling In fact, I heard, almost without stop, from kids in KidCare. advocates, for eighteen months, saying, "Why can't you get more this program?" "How come we're not reaching kids into hard-to-serve communities?" We're asking for an audit to find out not about the kids, but about the adults who are running this program. We should all be green lights on this. It's important to find out what's going in this program. This is one of the groundbreaking programs that Congress gave us, and this is really

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the preceding step if we're going to go further. You know, I just don't -- I'm not sure I understand where the controversy are. If adults took money to run this program to enroll kids, they should be able to stand accountable for that. That's what we're asking for, is a review by the nonpartisan Auditor General, a constitutional officer of the State of Illinois. I think we should enthusiastically support a review of this program. It's the right thing to do by the right guy.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Philip.

SENATOR PHILIP:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I've always thought, because, quite frankly, my staff or myself cannot keep up with all the various programs we have in the State of Illinois -- I would suggest that every new program that we institute, two years from the day that we institute it, we have some outside auditing firm come in and review what we have done. Is it good? Is it bad? Can we improve it? So, I'm very much in favor of this resolution. Maybe there's a way to -- to make it Maybe there's a way we can -- we can do it faster. But better. we ought to have a look at it. Nothing wrong with that at all. think we ought to do it for every new program we do in the State of Illinois, because I can't keep track of 'em. Nobody in this Body can keep track of all the programs we have going on in the State of Illinois. And a lot of 'em are good; some of 'em aren't so good. And to my friends on the other side who say this is such a great program, you may be right. If it's such a great program, you ought to embrace the audit. If it's so good, they can stand up to the light.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any other discussion? Any discussion? If not, Senator Syverson, to close.

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SENATOR SYVERSON:

Thank you, Mr. President. I couldn't have said it better than the -- the last two speakers, and would ask for a favorable roll call and look forward to working with everyone in making this a better program in Illinois.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Syverson moves the adoption of Senate Joint -- or, Senate Resolution 152. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Take the record. On that question, there's 50 voting Yes, 6 voting No, no voting Present. The Senate resolution, having received the required vote, is adopted. We're on page 15 of the Calendar, regular Calendar for today. Bottom of page -- Calendar, we're on House Bills 3rd Reading. These are deadline-extended House bills. ...Molaro wishes to seek leave of the Body to return Senate Bill -- excuse me, House Bill 2099 to the Order of 2nd Reading for the purpose of an amendment. No objection. Leave is granted. On the Order of 2nd Reading is House Bill 2099. Mr. Secretary, are there any Floor amendments approved for consideration?

SECRETARY HARRY:

Amendment No. 2, offered by Senators Robert Madigan, Molaro and Philip.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Bob Madigan. Robert Madigan.

SENATOR R. MADIGAN:

Thank you, Mr. President, Members of the Senate. Floor Amendment No. 2 to House Bill 2099 contains numerous changes in various pension funds. And I would ask for adoption of Floor Amendment No. 2, and then we can go through this on 3rd Reading. PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? If not, all those in favor, say Aye.

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Opposed, Nay. The Ayes have it, and the amendment is adopted.

Are there any further Floor amendments approved?

SECRETARY HARRY:

No further amendments reported.

PRESIDING OFFICER: (SENATOR WATSON)

3rd Reading. We're now on the Order of 3rd Reading. And, Mr. Secretary, please read the bill.

SECRETARY HARRY:

House Bill 2099.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro.

SENATOR MOLARO:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I'll set out with making a few comments, and I would ask Senator Madigan, then, to make a few comments as to other provisions in this bill. What I'd like to do is -- this is a bill that contains provisions for the Cook County Pension Fund, and the Chicago Municipal Fund, and the Chicago Laborers Fund. These provisions that are contained for those three funds passed the House -- House of Representatives three weeks ago, and the provisions for those funds are identical to the House measures that were passed over here. There have been other provisions by amendment that have been added to House Bill 2099, but I just want everybody to realize that the provisions they had for the City of Chicago Muni-Laborer Fund and Cook County are the same provisions passed by the House. I'd also like to add that those provisions, as well as ones from SERS and the GA and Water Reclamation, have all passed the Pension Laws Commission. So I want to make that very clear that we've created -- Senator...then Leader Jones, we created the Pension Laws Commission, where there would be another

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the public to take a look at all the pension funds, as well as the employer and employee associations, to look at these to make sure that, in fact, we're doing a good job with this type of fiscal bill. As far as the City of Chicago's two pension funds and Cook County, all of the provisions that are contained in this bill that contains -- that has to do with those pension funds have all been voted on by the boards of trustees of those pension funds and passed. They've all been signed off by all employers involved, and all employee associations. So therefore, all of these provisions have passed Pension Laws Commission, have been signed by the employer, voted on by the board of trustees, and Now, even though, agreed to by all employee associations. 1930, we -- we started this and they're creatures of statute, remember for the City of Chicago and the County, no State money is There's nothing to do with State revenue whatsoever. These are freestanding pension boards that are supported by employers in Cook County and the City with no State money. that, I'll just go over some main points. There are minor ones of no cost that you can read at your leisure. If there's any questions, you could ask myself and Senator Madigan. As far as the County is concerned, there's two or three major portions. First part is that currently their formula is 2.2 percent for each year of service. This will change from 2.2 to 2.4 percent. Also contained in this is their widow's benefit -- spousal benefit, should say, that if their retiree should pass away, their spouse would get fifty percent. This increases it to sixty-five percent. This also contains, for the County, in the year 2002, we're building a new county hospital that -- Cook County Hospital. Cook County Hospital - it's down on Harrison Street - this big, old building is now being replaced by a new, more modern building almost in the same place. With that, there will be many losses of jobs, because we don't need such things as elevator operators and

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a few other things like that. So, not to have layoffs, offering an early retirement incentive for the workers of Cook County, which would help us not have any layoffs. And the thing of any importance that you would be asked about, inside the Cook County Pension Fund is the Cook County elected officials We are not changing the formula. The formula stays formula. exactly the way it is now. But if you leave office and you're fifty-two, fifty-four, or fifty-eight, you have to wait till age sixty -- if you have ten years of service, you have to wait till age sixty to get your annuity. This moves it down to age fifty-five. As far as the City of Chicago, just two major They also are 2.2. This would change their two provisions. pension funds from 2.2 to 2.4 as their new formula. And they also have their elected officials, where the aldermen and the three city -- citywide elected officials can now take their annuity at age fifty-five instead of age sixty. And those are the two major changes to the Cook County and the City funds. So those are the changes. With that, there are changes to SERS, as well as GARS. And at this time, if you would have -- if you could call on Senator Madigan.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Robert Madigan.

SENATOR R. MADIGAN:

Thank you, Mr. President. To follow up -- with Senator Molaro's explanation, under the State Employee Retirement System, makes numerous changes. Places CMS mechanics that work at a correctional facility in the alternative formula. Also allows flight safety coordinators and the Bureau Chief of Air Operations into the alternative formula. Allows some people to establish service credit for fellowship programs and graduate internship programs that are -- continued on to be State employees, including an internship with the Lieutenant Governor. Allows employees --

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current employees -- working for the Department of Human Services that worked prior with the visually handicapped to establish prior service credit in State Employees, as a result of that employment in that contractual relationship with the visually handicapped. Allows a former employee or current employee of Sports Facility Authority Board to establish credit in the State Employee Allows members of State Employee Retirement Retirement System. System to purchase service credit for service -- that began or occurred in a leave of absence that began before January 1st of Allows transfers for alternative service with members of the police and full-time law enforcement officers employed by the CTA. Allows arson investigators who had prior -- to their placement in to the alternative formula to upgrade that service to the higher noncovered alternative formula at the individual's cost. And allows certain persons employed in the Legislative branch of State Government, the Executive Office of the Governor, the Bureau of the Budget, and General Assembly Retirement to elect to receive a flat three-percent retirement formula in the State Employee Retirement System. Total cost to the system, for all of those changes, is an increase in the accrued liability of State Employee Retirement System of approximately ten million dollars, which represents an increase of one-tenth of one percent total accrued liability to the State Employee Retirement Next, under the General Assembly Retirement System, System. the salary limitation for pension purposes for the Clerk and Assistant Clerk of the House of Representatives, Secretary and Assistant Secretary of the Senate. Allows a member who elected not to participate in the system to revoke that election. Provides a five-percent increase in the annuity for members that have not retired but have reached twenty years of service. increase is permitted when a member reaches age fifty-five or twenty years of service. Recalculates the interest on the

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transfer of credit. Under the State University Retirement System, allows a member to -- allows a -- a person to reestablish prior service credit. Also allows unused sick leave to be calculated up to two years. Under the Teachers' Retirement System, it allows members of Teachers' Retirement Service {sic} that have ten years of service established to purchase up to two years of credit for service with a private or parochial school. Under the Judges Retirement System, it allows judges, prior to age sixty, to make an election into the System if they attain the maximum annuity rate. Allows certain members to purchase up to three years of service credit for periods spent as a Special Assistant State's Attorney. Requires the payment of employee contributions plus interest. Allows judges who receive salary increases after making the elections to stop contributions, to revoke the election and begin making contributions on the amount of any salary increase. Allows current and form {sic} employees of Metropolitan Pier and Exhibition Authority to transfer creditable service accumulated under other public pension systems to that retirement system. Allows investigators for the Office of Attorney General t.o transfer credits of up to twelve years for prior service as police officer, sheriff's employee or municipal conservator of the peace from certain other pension funds. Restores benefits to certain surviving spouses whose pensions were terminated upon Allows payment to a living trust. And finally, remarriage. allows any member -- active member of State Employee Retirement System service who is a State policeman to transfer creditable service accumulated under the State University Retirement System and the IMRF for service as a Metropolitan Enforcement Group agent to the State Employees' Retirement System. I would be happy to -along with Senator Molaro, to answer any questions on Senate Floor Amendment No. 2 to House Bill 2099.

PRESIDING OFFICER: (SENATOR WATSON)

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Is there any discussion? Senator Bomke.

SENATOR BOMKE:

Thank you, Mr. President. I think I missed part of Senator Madigan's explanation. Could he please explain it again?

PRESIDING OFFICER: (SENATOR WATSON)

Is there further discussion? Senator Lauzen.

SENATOR LAUZEN:

A question for Senator Molaro.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro...

SENATOR LAUZEN:

Senator, could you...

PRESIDING OFFICER: (SENATOR WATSON)

... yields. Senator Lauzen.

SENATOR LAUZEN:

Senator Molaro, could you -- could you describe what it is that creates an accrued or unfunded liability in a pension plan?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro.

SENATOR MOLARO:

Yes, well, a brief explanation, without taking too long: Basically what it comes down to is, just like in our pension fund, we -- it's actually called a defined benefit. So I wind up getting, based on a certain years of service, if you go there and you have a formula. So if I've worked somewhere fifteen years and my formula's 2.2, I would know that if -- on my twentieth year, I can multiply that twenty times 2.2, and I would wind up with forty-eight percent of whatever salary I have at that particular time, however they base the final average salary. So what unfunded liability means, that if you took a snapshot in time - let's say like today. Right, today, Cook County government ceases to exist, okay. Cook County pension fund has 5.2 billion dollars.

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If it ceases to exist and they had to pay everybody back and they had to pay all their annuities until they died and do all the spouses, everything they had to do, if 5.6 billion dollars covered it, then they would be a hundred percent funded. There'd be no unfunded liability. If it turns out that if it ceased to exist and they needed 5.4 billion to pay everything out and they only had five billion, they'd have ninety percent -- or, ninety-three percent unfunded liability. So, that's what it means.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

So basically what you're saying is that today an amount of an unfunded liability is when we promise more than we deposit today, if we took the snapshot that you were talking about. Is that accurate?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro.

SENATOR MOLARO:

Well, I -- it's accurate, except for the word "promise". don't know what that means, when you use the word "promise".

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

When I use the word "promise", I refer to -- we're making commitments to people about their future retirement, so it's a promise to pay those defined benefits that you referred to in your explanation.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro. Senator Lauzen.

SENATOR LAUZEN:

Then, may I ask, what is the dollar amount -- or, according to our analysis, the dollar amount of promises in the future

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defined benefits, in excess of what's being deposited today, of what's being proposed here, is four hundred and six million dollars. It's more than the combined -- if I'm not mistaken, more than the combined -- both of the pension plans that we passed last year that's covered by the entire State. But is -- does your analysis match ours, that it's about a four-hundred-and-six-million-dollar unfunded liability that we would pass with a Yes vote?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro.

SENATOR MOLARO:

Well, I hate to ask you this, but -- which fund are you talking about? 'Cause we're -- we're changing four or five different funds.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

Let me -- shorten this, and thank you for the question, because I am referring to the Cook County portion, at 406. And then to make it briefer, in -- the same question for the Chicago Municipal is two hundred and ninety-five, or about three hundred million dollars. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Molaro.

SENATOR MOLARO:

Yes, that's correct. So -- but -- but since you asked the question, I must say this. The Chicago Laborers Fund is a hundred and eighteen percent funded. So if it goes down by four or five percent, then that means that there's more than enough money to cover every, single promise. As far as the Chicago Municipal Fund and the Cook County Pension Fund, both of them would go from about -- about ninety-six percent funded to about ninety-two,

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ninety-three percent funded. However, we're certainly -- I don't want to get into a debate, unless you force it, as to whether or not -- what type of unfunded liability a public pension fund should be funded at, because Ernst and Young, Arthur Andersen, many, many of these CPA firms, if I may -- but many of these firms would come back and say that a public pension fund only needs to be funded at seventy or eighty percent. As a matter of fact, when we did the ramp-up and we had many, many hours of testimony for the State pension funds, in 2045 or 2055, whatever the year is, we're only looking to be eighty or ninety percent funded. didn't ask for a hundred percent funding, because no actuary or accountant thinks that any public pension fund needs to be at the hundred percent level because the odds of a government ceasing to exist seem slim.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Lauzen.

SENATOR LAUZEN:

Then, let me just make a comment. I understand that the equivalent impact on payroll costs in Cook County is an increase of five percent. All the payroll costs of Cook County government, with this bill, increases by five percent. A comment on the hundred and eighteen percent pension funding. Another way -another perspective, not the only way of looking at another perspective of looking at it is that the people, the taxpayers of Cook County, have been overtaxed by eighteen percent to put that extra money in a pension plan, and today what we do is we spend that. Rather than returning it to the taxpayer, we would use that in these promises. The total between Cook County and Chicago Municipal, and there the impact on payroll is 3.2 percent in one vote. The total is seven hundred million dollars that goes onto the shoulders of Cook County, Chicago taxpayers, their children and then their grandchildren, by the time it's eventually

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paid. To the bill, there are provisions in this bill that I think of us would want to vote for. Two, in particular, I'm very much in favor of, where downstate police officers buy back two years of military service with absolutely no liability to any taxpayer. Whatever they're going to get in benefits, they make the deposit themselves. So it's not onto the taxpayers. Number two, in TRS, public school teachers would be able to buy up to two years of their parochial service, two years of service in the parochial school system, at no cost to any taxpayer. I think that's the right way of making a promise and then having responsible person, or the person who's going to achieve the benefit, making the deposit themselves. Unfortunately, I think that when you look at this bill altogether, and especially to the Cook County and Chicago taxpayers, seven hundred million dollars of increase to the unfunded liability, I think it's just too rich. PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Luechtefeld.

SENATOR LUECHTEFELD:

Thank you, Mr. President, Members of the Senate. I would like to declare a conflict of interest on this bill. There's a provision in there for me to join the system -- the retirement system for legislators. I would just like to declare that conflict of interest.

PRESIDING OFFICER: (SENATOR WATSON)

Any further discussion? Any further discussion? If not, Senator Molaro, to close.

SENATOR MOLARO:

Well, just -- I don't know. Anyway, just quickly, two -- two -- one -- one brief comment, and then we'll go. First of all, I want to just reiterate that with the Cook County and the City piece, there's no State money. Technically, we should be mandated to agree. Second of all, I don't know if there's certain --

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obviously, the -- as I said before, the employer, the employee, as well as the pension board, all signed off on this, in the City and the County, and they've sent {sic} countless hours. Second of all, it be -- comes from the pension fund; it doesn't come from the taxpayers. In Cook County and the City, they use a multiplier, and it's 1.34 times whatever the two years previous were and it's mandated that it be paid. And it -- it can't go -- past 1.34. So no matter what this is or what that is, it stays at 1.34. So there won't really be a tax increase before any -- of these, because it's borne by the pension board. Other than that, I ask for a favorable roll call.

PRESIDING OFFICER: (SENATOR WATSON)

I'm sorry. I failed to recognize Senator Geo-Karis.

SENATOR GEO-KARIS:

...Mr. President. I just want to say that I may have a conflict, and I will vote my conscience. That's all.

PRESIDING OFFICER: (SENATOR WATSON)

The question is, shall Senate Bill -- House Bill -- excuse me, shall House Bill 2099 pass. Those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 46 voting Yes, 7 voting No, 3 voting Present. House Bill 2099, having received the required constitutional majority, is declared passed. ...move on. Page 16. Top of page 16. House Bill 2157. Another one under the extended deadline. Senator O'Malley. Mr. Secretary, please read the bill.

SECRETARY HARRY:

House Bill 2157.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR WATSON)

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Senator O'Malley.

SENATOR O'MALLEY:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. House Bill 2157, as amended, retains the original provisions of 2157, which provides that -- under the Chicago Teacher Article of the Pension Code, the granting of additional benefits to persons who began receiving early retirement benefits in 1993. This is identical to legislation that we have considered previously, Senate Bill 612, Senate Bill 1105, and I believe Senate Bill 1423 from the 91st General Assembly, all of which I sponsored, and we have -- we have voted for in the past. The amendment added additional provisions to allow retired teachers of the Chicago fund to substitute teach for a hundred and fifty days, to -- allow downstate suburban retired teachers to work a hundred and twenty days or six hundred hours per year, allow a surviving spouse to be eligible for a reciprocal survivor's annuity if the spouse qualifies as a dependent beneficiary under the provisions of TRS. It also provides that retirees, after July 1, '98, with at least thirty years of service at retirement, may have that service converted to the augmented rate. Expands the definition of "teacher" to include any person employed by the Teachers Retirement System who was an employee of and a participant in the system before the effective date of the -- of this -- of this legislation. And finally, allows members of TRS who began receiving annuities on or after July 1, '98, and before June 1, '99, to have those annuities recalculated to reflect changes in the retirement formula. I would be happy to answer any questions there may be.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? If not, the question is, shall House Bill 2157 pass. All those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted

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who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 55 voting Yes, 2 voting No, no voting Present. House Bill 2157, having received the required constitutional majority, is declared passed. Moving down the page, page 16. House Bill 2367. Madam Secretary, please read the bill. ACTING SECRETARY HAWKER:

House Bill 2367.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Thank you, Mr. President, Members of the Senate. House Bill 2367 does several things. It -- the legislation eliminates the preexisting condition requirement for temporary disability benefits. Provides for the participation of the Kaskaskia Port District, the Illinois Municipal Gas Agency and the Southwestern Illinois Development Authority into IMRF. It allows elected municipal officials to purchase more than fifty months of retroactive service credit if a resolution is adopted by the municipality. This provision provides equity between county elected officials and municipal elected officials. For the University Retirement System, it changes the eligibility standards of survivor insurance benefits and changes the repayment of refund provisions. It also has some technical changes. Would be glad to answer any questions that you might have.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Senator Smith.

SENATOR SMITH:

May I interrupt? I just want to say I made a mistake and didn't -- but I intended to vote for 2099, a Yes vote. Would you please do me that courtesy? Register me.

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PRESIDING OFFICER: (SENATOR WATSON)

Yes, that courtesy will be extended, Senator Smith. Thank you. Senator Burzynski.

SENATOR BURZYNSKI:

Thank you. Will the sponsor yield for a question?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Burzynski.

SENATOR BURZYNSKI:

Thank you. Senator, the analysis, and I think you mentioned this in your comments, says that this allows the Southwestern Illinois Development Authority to participate in the plan. How many employees do they have?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Luechtefeld.

SENATOR LUECHTEFELD:

Senator, I'm told three.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Burzynski.

SENATOR BURZYNSKI:

Do you know if they've reorganized their debt at this time?

PRESIDING OFFICER: (SENATOR WATSON)

...Luechtefeld.

SENATOR LUECHTEFELD:

Senator, I -- I'm not aware of a debt that they have. But -- I do not know that.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Further discussion? If not, the question is, shall House Bill 2367 pass. All those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 51 voting Yes, 5 voting No, no voting Present. Senate -- House Bill 2367, having received the

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required constitutional majority, is declared passed. On page 14 of the regular Calendar. Page 14. Top of page 14 we have House Bill 263. It's another bill that was extended. We have Senator Dillard. Madam Secretary, please read the bill. Senator Dillard wishes this bill to be returned for the Order of 2nd Reading for the purpose of an amendment. He's asking leave of the Body. Is leave granted? Leave is granted. And on the Order of 2nd Reading is House Bill 263. Madam Secretary, are there any Floor amendments approved for consideration?

ACTING SECRETARY HAWKER:

Floor Amendment No. 2, offered by Senator Dillard.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Thank you, Mr. President. This amendment was adopted in the Senate Executive Committee yesterday evening, and it allows for the westward expansion of McCormick Place. I'd like to put the amendment on, and we can debate the bill fully and -- on 3rd Reading. The amendment becomes the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Is there any discussion? All those in favor, say Aye. Opposed, Nay. The Ayes have it. The amendment is adopted. Any further Floor amendments approved for consideration?

ACTING SECRETARY HAWKER:

No further amendments reported, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

3rd Reading. We are now on 3rd Reading, House Bill 263. Madam Secretary, please read the bill.

ACTING SECRETARY HAWKER:

House Bill 263.

(Secretary reads title of bill)

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3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Thank you, Mr. President. This -- this bill allows the Metropolitan Pier and Exposition Authority to allow for the westward expansion of McCormick Place. Project costs about eight hundred million dollars. It also creates a Statewide Economic Development Fund from some 4.8 million in current cigarette statewide taxes that is a revenue subsidy for operations to McCormick Place and puts it into a fund for statewide economic development. And it also makes some changes and puts some teeth in and creates a minority and female advisory board to the McCormick Place Board. As you know, McCormick Place stands as really one of the premier economic engines in the State of Illinois. It currently pumps 5.7 billion dollars into the Illinois economy.

PRESIDING OFFICER: (SENATOR WATSON)

Let's have some order in the Senate, please. Proceed, Senator Dillard.

SENATOR DILLARD:

Thank you, Mr. President. McCormick Place creates sixty-five thousand jobs and creates a hundred and thirty-six million dollars in tax revenue for Illinois every year. The State of Illinois receives eighty percent of these revenues, and they trickle down to Quincy and Cairo and throughout the State of Illinois. With the proposed expansion, the economic benefit would jump to 8.4 billion dollars, creating another twenty-one thousand jobs for Illinois, and putting us over two hundred million dollars a year in tax revenue. Importantly, the construction of this McCormick Place West would immediately create over two thousand union construction jobs. With these conservative figures, and they are

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promising, rest assured, if we don't take action today, the cost to Illinois could be even higher. Orlando, Las Vegas and Atlanta are all gearing up to steal our conventions. They have plans in the works now to greatly expand the capacity of convention centers in those three cities. So we've got to act now. And to sum up, Mr. President, McCormick Place is at capacity. Since the 1996 expansion, McCormick Place has been at full occupancy, turning away prospective shows to Illinois. We need your help so that McCormick Place can compete today, well into the future, and with your help, we won't have to turn away shows or the dollars that come with them and we can employ another some twenty-one thousand Illinoisans, most of them union members. I'd be happy to answer any questions.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? Senator del Valle.

SENATOR dEL VALLE:

Thank you, Mr. President. You know, I'm not too happy with McCormick Place. We certainly pay out a lot of taxes to make McCormick Place possible. Ιt includes -- the revenue streams includes a restaurant district that includes a part of my district. We pay the extra one percent, and I doubt that -- even though I haven't done a thorough analysis of the numbers, but I doubt that very few people in my district are working at McCormick So, I'm not happy with McCormick Place. expansion is needed, and it is very important. There matter that came up in committee yesterday that I think needs to be talked about here on the Floor, and that is the 4.8 or six million dollars that now go to McCormick Place that is applied to their operating budget, under this bill, will be taken away McCormick Place and put into a new economic development fund -- a new Statewide Economic Development Fund. Senator Dillard, can you tell me what will be the impact on the operations of McCormick

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Place if they lose this money? What will be the impact? Have we a thorough review of that? And can you tell me why it that we've decided to take away, under this bill, over four million dollars that McCormick Place currently needs to operate. Given that we talk highly about McCormick Place and what it does for the economy of the State and how it's important that we be in a position to compete with other states, on the one hand; on the other hand, we're saying, but we're going to take money away from the operations. I don't understand that. Can you explain that, please?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

According to the officials at McCormick Place, they have, not a surplus, but they have enough money to operate without this subsidy, and I want to point out that this cigarette tax is a statewide thing. Senator Weaver, my friend here to the right, when he buys cigarettes in Urbana, in theory, contributes to McCormick Place. And through the creation of the Statewide Economic Development Fund, you know, his east-central Illinois community should get back a little bit. I do want to point out that -- that there is plenty of money here without this, and it's a statewide subsidy. It's really the only revenue stream, other than the general backing of these bonds, through our sales tax, that is statewide, and they're -- they're fine without this, Senator del Valle. And the rest of Illinois ought to get a fund to get a little bit back to help them, too.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Woolard. Senator Woolard.

SENATOR WOOLARD:

If -- if I could, I'd like to ask the Chair a question and also ask the sponsor a question. Does the Chair know where the

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coal bill is at this time?

PRESIDING OFFICER: (SENATOR WATSON)

Is there any further discussion? Senator Molaro.

SENATOR MOLARO:

I yield my time to...

PRESIDING OFFICER: (SENATOR WATSON)

Senator Woolard, you want to ask the sponsor a question?

SENATOR WOOLARD:

Thank you, Mr. Chair. I understand that some of those questions are very difficult to answer. Yes, I do want to ask -- would -- would you mind taking this out of the record for a few minutes and -- and see if we could find the coal bill and -- and maybe incorporate the discussion along the same time frame?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

I'm going to keep moving forward on this bill, but at the appropriate time, Senator Woolard, I'll help you find the coal bill. And I'm sure, if my friend, Senator Luechtefeld, and you are for it, I'll probably be for it. So, at the appropriate time, I'll help you with your coal bill, too. And I do want to point out that this bill, for the first time, will allow your communities to access a fund for statewide economic development that you've not been able to get at before.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Woolard.

SENATOR WOOLARD:

I -- I certainly thank you for your assistance and your commitment, and with that in mind, I'll probably give you a favorable vote as well.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Molaro.

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SENATOR MOLARO:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. This was debated back and forth in Executive Committee yesterday, and it was a strange meeting, to say the least. It was amazing. The Chairman did the best job he could with trying to explain where everybody was at, because it was kind of weird to see that there's a bill that's going to give eight hundred million dollars to the expansion of McCormick Place and the City of Chicago, raise maybe 2.5 billion dollars a year, and some of the Chicago Democrats were voting No. It was kind of a strange thing. However, let me say this, and then I'll tell you how I'm going to vote and see if some of our colleagues would agree. We have the big Pier Authority and -- and, basically, the eight hundred million dollars that we're talking about here, which I think has been explained by the sponsor, as well as all the other monies that have been generated through the bond, comes from this hotel tax and -- and all these other taxes that are -- food taxes that occur within this boundary right around McCormick Place, also whatever costs there are borne by the City of Chicago. only money that we get from the State or the General Revenue Fund, sort of, through a roundabout way, is the cigarette tax - 4.5 That's what the State gives. million. For that, because everything else happens in the City of Chicago and the County of Cook, for that we give the State and the Governor the right to appoint all kinds of people to the Board. As a matter of fact, the Governor's appointment is the Executive Director. All the contracts, everything that occurs there, the State is basically a partner with the City to get this done. Now, what they're basically doing by this is saying, what we're going to do is we're going to take back whatever we give you. So my thinking would be, and I think it's been common knowledge, that the Speaker of the House -- of the House of Representatives is crafting a bill right

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and he's either going to add it to this bill or kill this bill - it'll be DOA - and put his bill that says, okay, State's not going to give us the 4.5 million dollars and the State doesn't want to give it -- any of it, then, of course, what's going to happen is, we should call it the City of Chicago Authority and have everything there. We'd do our bonding, and since the State doesn't want to pay anything, that's where we're Now, I don't think -- and I don't think that would pass over here. I think there is going to be some sanity that's going to happen in the next week and a half, even though in the last week, that's when the worst of every legislator comes out. I think cooler heads will prevail and this bill will pass. And the -- in some form or another. Probably not this form, but some form or another. But because our friends in labor, who have always supported the Democratic Party, always supported Leader Jones, that Leader Jones and the Democrat should think hard and long before we vote No or Present. Because the eight-hundred-milliondollar bonding authority is coming to the City of Chicago and because it's going to happen, I think that we should put Yes I think that this is a good vote and I think we should vote Yes, and -- and I would encourage a Yes vote only because it sends a message to labor that we're with labor and we stand with labor, as we always have in the past. And for those of us who feel that we're going to lose this 4.5 million, I feel that cooler heads will prevail and some compromise would come. But I'd like to let labor know that we stand with them in support of this bill. PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Lauzen.

SENATOR LAUZEN:

Two -- two questions for the sponsor.

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Lauzen.

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SENATOR LAUZEN:

First -- first one: Senator, are there any tax increases in this legislation at all?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

No, sir. The revenue streams stay the same. There is no new taxes.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

Then, finally, could you describe how the fifty million dollars of water and sewer project, that whole thing, works and who's going to administer that?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Thank you. Senator Lauzen, what we do with this bill is that in Fiscal Year 2002 and each year thereafter, the first 4.8 million dollars of cigarette tax revenue currently paid to the Metropolitan Pier and Exposition Authority for their corporate purposes will still be paid -- or, will be paid into a Statewide Economic Development Fund. And Senator Jones, our Leader, Senator Philip, the House Leaders and the Governor and the appropriation process will determine how this money's going to be spent. But this, for the first time, will allow areas like yours and mine, Chris, to access something for some of our funds that we use from our areas to support the Metropolitan Pier and Exposition Authority.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Demuzio.

SENATOR DEMUZIO:

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Well, thank you very much. I listened to the argument of Senator Molaro, about all the things that were going to happen over in the House with the Speaker and everything. Well, you know, this is the Senate. Let's pass this thing. I vote Aye.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Sieben.

SENATOR SIEBEN:

Thank you, Mr. President. Will the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Sieben.

SENATOR SIEBEN:

Senator Dillard, can you tell me if conventioneers frequently make use of Meigs Field when they come to McCormick Place?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

I'm sure they do, Senator Sieben.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Sieben.

SENATOR SIEBEN:

In the discussion of this expansion, has there been any consideration given to revisiting the agreement by former administration relative to the closing of Meigs Field this coming February?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Not that I know of.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Sieben.

SENATOR SIEBEN:

Well, Mr. President and Sponsor Dillard, it just seems

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unfortunate to me, with what we voted on in this Chamber in the last few years, for a renovation at Soldier Field, activities the Field Museum and now a major expansion of -- of McCormick Place, which is probably a good idea, that we're not tying something to this whole project and all this lakefront development to the retention and the continued operation of Meigs Field. as we hear all kinds of discussion about air traffic capacity in and around Chicago, we have a -- an existing airport in operation that could be enhanced, that could be -- and currently exists as a vital part of that -- that air traffic capacity in and around It would seem to me it would fit very nicely with the Chicago. expansion of -- of McCormick Place that we make an honest effort to try to keep Meigs Field in operation. Now, I know there's a strong interest in the development of additional park land and park property along the lakefront, but certainly an air park would fit very nicely with additional park land and outdoor recreational And it seems to me extremely shortsighted that we're not looking at some possible way to revisit that issue and keep Meigs Field open for the benefit of the conventioneers that will come to come to McCormick Place. And I know there -- there's a group in the Chicagoland area called the Friends of Meigs Field that's working very hard to try to keep the field open and in operation. I know that the Aircraft Owners and Pilots Association, AOPA, seven hundred members strong, have written to us about this issue, and there's been no discussion throughout this process. And I would just urge the sponsor, if this bill is going to continue to be worked on and maybe needs some input from the House, that -that somewhere in the process, we make a strong effort to at least revisit the issue of Meigs Field and keeping that open for benefit of the people of the State of Illinois and all those that come to enjoy conventions at McCormick Place. Thank you.

PRESIDING OFFICER: (SENATOR WATSON)

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Further discussion? Senator Emil Jones.

SENATOR E. JONES:

Yes, thank you, Mr. -- Mr. President. Sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Jones.

SENATOR E. JONES:

Senator Dillard, with this -- well, on expansion, I'm quite certain it would generate more revenue. Can you tell the Members approximately how much revenue it would generate and where would that revenue go?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

The economic analysis that I have from the AFL-CIO, a group that I respect, says that currently McCormick Place pumps 5.7 billion dollars into our economy. If we do the proposed expansion, the economic benefit goes up to 8.4 billion. So the difference between 8.4 billion and 5.7 billion dollars, and we are talking about creating another twenty-one thousand jobs, most of them union-type positions, if we pass this expansion. So, the dollars that are involved here and the number of jobs, especially for union households, is astronomical.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Jones.

SENATOR E. JONES:

Well, if that is the case, if it create that many jobs, if it create that amount of money, where does those dollars go? When the jobs, the people working there, buy food, products and other goods and services and they pay sales tax, where do those sales tax go? Do they go just to the City of Chicago? Will they go throughout the State of Illinois?

PRESIDING OFFICER: (SENATOR WATSON)

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Senator Dillard.

SENATOR DILLARD:

They go everywhere, Senator Jones. They go into the coffers of the Cook County government, which, you know, supplies Cook County Hospital and the services in Cook County. And as I said in my opening, they go into the general funds of the State of Illinois. So it trickles all the way down into Senator Woolard's and Senator Luechtefeld's area, as well. But the lion's share is going to be up in the metropolitan area of northeastern Illinois.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Jones.

SENATOR E. JONES:

Well, from the sales tax that's generated on goods and services, and -- that are generated, those dollars go primarily to the State coffers. As far as the income tax, I know the City of Chicago and the State of -- and Cook does not have an income tax, so all of those dollars go to the coffers of the State of Illinois. The only reason I point this out to you is that when people say this is Chicago -- to Chicago, no, it's not. McCormick Place services all of Illinois. If it was a situation wherein it was located here in Springfield, just as I stood on this Floor the Lincoln Library will be situated in recognizing that Springfield, but people from all over the world, all over the State of Illinois will come here and spend their dollars, which will boost the economy. So we're -- when I spoke in favor of it, I didn't say this is just a Springfield project. And so I -- I resent the other side of the aisle constantly saying "this is Chicago", "this is Chicago". This is good for Illinois. But the problem I have with this bill is the fact that you -- we use our own revenues to help the people of the State of Illinois. the revenues that's generated by the tax on the hotels and motels and restaurants that actually feed the bond issue so that you can

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have money for this expansion, but all the major decision makers will be left down here to -- in the Executive Branch of government because they appoint the Executive Director. So if you do not want those dollars, if you want to pull out the 4.8 million dollars, then let the local authority, let the local officials in the City of Chicago and the County of Cook run it, because the only thing left there is that -- you said that the faith of the State will stand behind the bonds. But this -- this -- this project will feed all of Illinois, and it's not just a Chicago project. same as the Chicago Bears, same as Boeing. And as the Mayor of the City of Chicago pointed out, he didn't care whether it was in the City of Chicago, DuPage County, Schaumburg, just bring it to Illinois because it would help all the people of Illinois. And so when -- when the issues are constantly made, it's a Chicago project, a Chicago project, by your esteemed President, no, it's It is a Illinois project. And when -- when it comes to Illinois, it helps all the people of Illinois. So, we voted Present in committee, but my vote for this is not for your taking out the 4.8 million dollars. My vote is just to keep the bill alive because you know and your President know, the Members on the other side of the aisle, know that it is DOA in the House. But we want to keep the bill alive so that we'll be in a position to put the necessary votes together for a right bill for all the people of Illinois and put the 4.8 million dollars where it belongs. But if you want to take it out, I don't care. But change the governance. That means your good friend and my good friend, the Executive Director, will be out of a job. And let the City of Chicago and -- and the County Board president do the appointment, since all the revenue to pay for the project come out of the taxes that the people are paying in the City of Chicago. So I urge a Aye vote, not for the bill as it is drafted, but just to keep it alive so we can deal with it in conference.

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PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Cullerton.

SENATOR CULLERTON:

Yes. Would the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Cullerton.

SENATOR CULLERTON:

Senator, there's a -- there's a district that we have a sales tax for, a one-percent sales tax, that goes from McCormick Place up north to Diversey and then to -- west to -- to Ashland. I also believe that encompasses O'Hare Airport and Midway Airport and McCormick Place itself. And my question is -- we are expanding the area that's covered by the McCormick Place project. In other words, it's going to be built west of the existing facility. Does the district where the one-percent tax is imposed, does that also expand in the -- in the legislation so as -- the new McCormick Place is also taxed at the one percent?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

I do not believe we are expanding the taxing district. While we are expanding westward the physical structure, the taxing district and boundaries, I believe, remain the same.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Cullerton.

SENATOR CULLERTON:

Then -- then do you know whether or not the area that we're going to build the new McCormick Place is in or not in the taxing district?

PRESIDING OFFICER: (SENATOR WATSON)

Senator...

SENATOR CULLERTON:

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Because, obviously, you wouldn't want to build a new McCormick Place and -- and have it excluded from the one-percent tax, when those of us in the neighborhood, in Lake View, are paying the one-percent tax to fund McCormick Place. You wouldn't want to exclude the actual new convention center. So, is that something that you could -- could double-check on and make sure that it's in the taxing district?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

I believe it's in the taxing district because it's immediately adjacent, but we will double-check that.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Weaver.

SENATOR WEAVER:

Question of the sponsor, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Weaver.

SENATOR WEAVER:

Senator Dillard, did the City of Chicago sign in in favor of this legislation yesterday?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

In fact, I think one of their they did not. representatives was pulled up and indicated that they're opposed, but I'm quite confident that if it's explained to them in the right context, that they'll understand that another twenty thousand jobs and a few billion dollars to the economy is a good thing.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Weaver.

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SENATOR WEAVER:

Well, I was just a little bit confused yesterday in committee, not knowing -- first I made a motion Do Pass, and then I rescinded that motion, and finally ended up supporting it. But I'm -- I'm still a little bit confused where the City is.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Jacobs.

SENATOR JACOBS:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. Just real quick. I'm not going to take a long time. But going to Chicago once in awhile, both on business and on pleasure, I've left some of those dollars in Chicago. And contrary to what some of my colleagues on this side of the aisle have said, I hope this bill does get out of here and it gets out of here with a lot of votes and it passes as is so we can -- even though this is a Chicago project - I agree with that wholeheartedly - and the dollars are coming from there. Also, we participate in that. So I just think we should hope that the 4.8 million dollars stays out of the project, as it is now.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any further discussion? Any further discussion? If not, Senator Dillard, to close.

SENATOR DILLARD:

Thank you, Mr. President. Just as a way of a history lesson here. In 1979, when the cigarette tax was imposed, it was meant to be temporary, and I know that firsthand because I was Governor Thompson's liaison to the General Assembly. In 1991, when we did -- and approved the last expansion to McCormick Place, I was Governor Edgar's chief of staff, and at that very same Session - I believe the bills came boom, boom, boom, one right after another - we increased the local government distributive share of the pool of money that comes from Springfield back to local governments.

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This cigarette tax - the 4.8 million - is a statewide component, and I think it's only fair that a little bit go back to our communities if we're not in the City of Chicago. As Senator Jacobs just pointed out, you know, he's a tourist there. He drops money, as do his constituents and conventioneers who come to Chicago. So, again, a little bit ought to go back, with an eight hundred million expansion, to the rest of Illinois. And the bottom line on the governance of the Metropolitan Pier and Exposition Authority is it's the State's credit that is at risk here. It's the State that backs it up, and that is why the State has representatives, not only on the Board, but controls the Executive Director. This is, to me, great economic development for the State of Illinois, and everybody should vote Yes. Thank you.

PRESIDING OFFICER: (SENATOR WATSON)

The question is, shall House Bill 263 pass. All those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 45 voting Yes, 8 voting No, no -- 4 voting Present. House Bill 263, having received the required constitutional majority, is declared passed. Proceed to the middle of page 15. Another piece of legislation in which the deadline was extended. We have House Bill 1655, and Senator Dillard asks leave of the Body to return House Bill 1655 to the Order of 2nd Reading for the purpose of an amendment. Hearing no objection, leave is granted. And on the order now is House Bill 1655. Madam Secretary, are there any Floor amendments that have been approved for consideration?

ACTING SECRETARY HAWKER:

Floor Amendment No. 2, offered by Senator Dillard.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

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Thank you, Mr. President. I'd like to put this amendment on. It was approved by the Executive Committee, I believe unanimously, yesterday. These are the incentives to lure the fifteenth-largest corporation in the world, the Boeing Corporation, to Chicago.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any discussion? If not, all those in favor, say Aye.

Opposed, Nay. The Ayes have it. The amendment is adopted. Any

further Floor amendments approved for consideration?

ACTING SECRETARY HAWKER:

No further amendments reported, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

3rd Reading. On the Order of 3rd Reading is House Bill 1655.
Madam Secretary, please read the bill.

ACTING SECRETARY HAWKER:

House Bill 1655.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. This is the -- are the incentives for the Boeing Corporation that I think most of you are all familiar about. I first became involved in trying to lure Boeing to the State of Illinois when Westmont, in my district, was named as one of the sites they were looking for. Think, like Mayor Daley or any of us, we didn't care where, exactly, Boeing was to land in Illinois; we're just happy that they're here. And I certainly congratulate the Mayor, the Governor, DCCA Director Pam McDonough, who just did yeoman's work, in trying to make Illinois' case to the Boeing Corporation. When Boeing comes to Illinois, they will instantly become Illinois' largest company. These incentives and Boeing coming to Illinois

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will create five jobs for every Boeing job that's here. There are a hundred and -- or, is a hundred-and-ten-percent return on the investment that is in this bill: our 41.4 million of potential State incentives to lure Boeing here. Boeing is a world-class Unlike any other that we've ever attracted here, corporation. they are the kind of business that we want. They are manufacturing- and technology-based, and the attraction of Boeing to Chicago for its headquarters puts Chicago on the world stage. Unlike other deals that have been around, there are no up-front costs for the Boeing deal. Essentially, we escrow Boeing's own for the -- the lion's share of what is here, and that makes this much more attractive than others. In terms of dollars, this is nowhere near the dollar amount that we did for Motorola Corporation, for Sears in Hoffman Estates. The Solo Cup Corporation, we recently did thirty-three million for. Motor plant, down in Senator Jones' area of the City of was ninety-two million. And, certainly, this is nowhere near what we spent on Mitsubishi in Bloomington-Normal. And just recently, to keep the size of these deals in perspective, we did forty million dollars for American Trans Air, located in Speaker Madigan's district around the Midway Airport. Like the <u>Chicago</u> Tribune and Crain's Chicago Business and the Chicago Sun-Times, I want to thank the civic leaders who were involved in this, as well as Governor Ryan and Mayor Daley. We put together a blue-ribbon civic board for the luring of Boeing, probably like we've never put together before, and our civic leadership really, really helped here a lot. Boeing is a tremendously generous company when it comes to charitable giving, and I want to point out that, Boeing gave over fifty million dollars in charitable contributions, more than these incentives are worth from the State level. Their charitable giving exceeds the incentives that they will get over about a twenty-year period from the State of

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Illinois. They are tremendous charitable givers to education and to human services. I will say that Boeing - and this is the kind of company that they are - has asked that none of the property tax rebates that either Cook County or the City of Chicago will give them will ever hurt the public schools, and the City of Chicago has agreed to hold the public schools harmless. I want to say that Boeing clearly impacts other areas of Illinois other than Chicago. The Rockford area has two or three suppliers that put more than one and a half million dollars in each Boeing aircraft in component parts. And for those of you from the Metro East area, near St. Louis - Senator Watson, Senator Clayborne, Senator Bowles - you know that Boeing is an integral part of the southwestern Illinois universe, with their headquarters and a lot of their hubbing and engineering and airplane manufacturing located in St. Louis. If we do this right, Boeing will, in the future, expand what they have here, not only in headquarters jobs, but in science and engineering and technology, and that ought to be our goal with Boeing coming here. Last but not least, let me say again, we are essentially using Boeing's own money here. There are some very small dollars that are there for programs that are already in place in Illinois that are up-front costs, but this is very different than all the other deals that I've seen of this magnitude around here. We're using Boeing's own money over a period of time. The dollar amount is relatively small, from other companies. And again, Boeing is a unique opportunity for the State of Illinois: a hundred-and-ten-percent return on our investment; five jobs for every Boeing job that comes here will be created. I'll be happy to answer any questions, Mr. President.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Hendon.

SENATOR HENDON:

Thank you -- thank you, Mr. President. I appreciate the

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recognition. I rise in strong support of this legislation. Senator Dillard has already pointed out some of the benefits, those of us who are pro-business should all be on board here. Did want to point out that Boeing's revenues for 2000 were over fifty-one billion. It's the largest aerospace company in the Will be great to have it here in Illinois. And we can world. talk to them later on about expanding, when they're building new airplanes, to maybe include southern Illinois, at least the East St. Louis area. And the -- they're doing about two hundred and fifteen million dollars -- they will be doing that kind of business in Illinois per year. The benefits are about 4.3 billion over twenty years. So, the incentives that we're giving them -the incentives that we're giving Boeing will be greatly overcome by the benefits for the -- this State, and I urge an Aye vote.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator O'Malley.

SENATOR O'MALLEY:

Will the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator O'Malley.

SENATOR O'MALLEY:

Senator Dillard, would you help all of us understand the scope of this project? And -- and before I get into the details -- or, ask you to get into the details and work through them with you, I want to know that, in your opinion and is it the opinion of other people you have talked to, including the Governor and I -- perhaps the Mayor, if you have talked to him: But for this package, would Boeing be coming to the State of Illinois?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Economic development is a competitive business, as Director

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McDonough, from DCCA, said in the committee, and there are many, many reasons why Boeing chose Illinois. I think our quality of life and our workforce and our location, and the fact that we're a transportation hub and our educational institutions, are the main But, Senator O'Malley, this is an integral part of, in reasons. the real world, in the year 2001, attracting a company that's a Fortune 15 company to the Chicagoland area, and we have promised, through our Governor and the Mayor of Chicago, these incentives. And we were certainly in competition with Dallas, Texas, which has no corporate income tax, and Colorado, which has a corporate income tax half ours. And these incentives are important, Senator O'Malley.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

The -- the total amount of the package that has been described, both in the press and certainly to us, includes a State component and a City of Chicago component. Is there anything in this package that requires State action with respect to the twenty-three million dollars' incentives being provided through the City of Chicago?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

We have to give the local government the authority to abate taxes. So, our involvement is minimal, but we have to give them But that's up to the local policy makers back in the authority. Cook County and Chicago.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

So the -- so the decisions that are being made with respect to

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the City of Chicago incentives, are being made by the Mayor, working with the City Council in Chicago. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Yes, by a majority vote.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

The -- the State incentives are said to total 41.1 million dollars. And I'd like to take us through some of those components, and I'll do the smaller components first. And then I'm going to ask you a question about those. The large business development grant amounts to one million dollars. The workforce training grant program amounts to two million dollars. And the technology grant amounts to a half a million dollars. All of those are allowed under existing programs and are, essentially, not part of the legislative package we have in front of us. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That's correct, Senator O'Malley, and that's a very good point. Virtually, the lion's share of this package is available today, to an Illinois business, under current Illinois law.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

With respect to the high-impact business component - sales tax exemption on construction and utility tax exemption for one million dollars - would your answer be the same to that as well, as the -- the previous question I asked you?

PRESIDING OFFICER: (SENATOR WATSON)

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Senator Dillard.

SENATOR DILLARD:

Yes, sir.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

The relocation grant component. Now, this appears to me to be completely through the Corporate Relocation Act, in the amount of 8.6 million dollars. Is that what we are being asked to make a decision about in this legislation today?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That, essentially, Senator O'Malley, the relocation costs, is really the only new thing here. There's a little bit of an expansion in terms of the number of years for the EDGE program, which is already on the books. But it's the relocation costs that really is the new thing here. And, Senator O'Malley, as I like to explain it, it's really -- those relocation costs are -- we don't have them today. It's Boeing's own money that we escrow and give 'em up to half of it back. But it's not here today unless we get them, and we get to keep half of it.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

The last component that I wanted to talk to -- about specifically is the extension or expansion of the -- the EDGE Tax Credit program. That is programmed to amount to be worth twenty-eight million dollars of which eleven million dollars represents the -- the extension in additional years to that which would be otherwise available. To explain it more clearly, there's seventeen million dollars being provided in years one through ten,

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and that is currently available under the EDGE program for any Illinois corporation. Under the extended EDGE program, providing for eleven -- years eleven through fifteen, it's estimated there will be another eleven million dollars in -- in -- in benefits to Boeing, and that is the portion of EDGE that we are being requested to consider here in the General Assembly today. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That's correct. Most of the EDGE program's already approved.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

Senator Dillard, you have used the term "escrow". You've also talked about us doing all of this - and I believe that's correct all of this 41.1 million dollars with their money. People have used the term "escrow". I know what the term "escrow" means. isn't literally in an escrow. But I'm going to try and explain it in my own words as to what's happening here, and I would appreciate if you could verify that what I understand to be the Specifically, it's my understanding that these case is true. monies are not going to be advanced by the State of Illinois; that these monies, not only the additional money that's -- that's being addressed here - the eleven million dollars and the 8.6 million dollars, respectively, for the extended EDGE program and the relocation grants - is -- is going to be collected back from Boeing based on the -- the -- the taxes that we would otherwise be collecting from them, so that they would, in effect, be paying these -- we would be paying these in the form of credits they would receive in future years. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

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Senator Dillard.

SENATOR DILLARD:

That's correct. When I say "escrow", I mean it as a metaphor, Senator O'Malley, and they don't get all of it back.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

Thank you, Senator Dillard. Now, the last area of questions, then I just want to make a comment about the legislation. If Boeing were to leave the State of Illinois, it seems to me, if I understand how this process works and I believe I do, not only under the existing programs, but under the legislation as -- as it is before us, extending it and providing for relocation grants, if they were to leave Illinois at any time in the future, those additional benefits they would get in years eleven through fifteen, for -- for example, with -- with respect to the extended EDGE program, assuming that they left before the eleventh year, they would not receive. Is that correct?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That's correct. The benefits stop. And also, Senator Lauzen put down on Governor Ryan's desk Senate Bill 603, which I refer to as a claw-back of any incentives. So there are double safeguards here. Boeing's not going to leave, but just in case they did, they couldn't reap these benefits.

PRESIDING OFFICER: (SENATOR WATSON)

Senator O'Malley.

SENATOR O'MALLEY:

Well, this is for Mr. President, as well. He'll hear what I have to say. I think you've always heard me say this, but I'm going to say it as well. One of the advantages that we have here

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in having Boeing here is not only the size of the company and what the company could potentially bring to the State of Illinois. We've heard a five-to-one multiplier effect by having Boeing here. We -- we -- we enjoy here, in Illinois, one of the finest engineering universities in the world, the University of Illinois, and we have, of course, other engineering universities in -- in the region as well, in Illinois and outside Illinois. there's good old Purdue University, which the speaker -or, the -- the President and I both attended, along with other who are here. But the point is, they have fine engineering programs and are -- here in the Midwest, some of finest, not only in America, but in the world. In fact, I would tell you that our aero-engineering programs in both of the major universities I've just mentioned are probably leaders in the world, if not certainly the leaders who compete with each other on a regular basis, and they are located by drive time, basically, within two hours of at least the south metropolitan area of Chicago. So I think having Boeing in -- in Chicago, it's good for them to be close to those universities, and it's certainly going to be good for those universities in -- in attracting higher caliber -- even higher-caliber students than they have today so that they can work at Boeing and related businesses that do business with them. Thank you for your time.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Lauzen.

SENATOR LAUZEN:

Thank you -- thank you, Mr. President. I appreciate Senator O'Malley's -- I -- first of all, I appreciate your answers to Senator O'Malley's sharp-penciled analysis. If we could just summarize and look at the hard numbers. Would you yield for a couple of questions?

PRESIDING OFFICER: (SENATOR WATSON)

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Sponsor indicates he'll yield, Senator Lauzen.

SENATOR LAUZEN:

Would you then agree that -- would you then agree that the real incremental cost of this legislation over current law is approximately eleven million dollars?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

I would tend, Senator Lauzen, to agree that it's much less than the forty-one-million-dollar figure we use. It's somewhere between eleven and twenty million dollars.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

Okay. And so that we're perfectly clear on this, will this legislation take even one cent away from any social service program, or over time, will this legislation enable Boeing to pay even more dollars into the State coffers so that services can be provided to our citizens?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That's an excellent question. When Boeing gets here, there will be more money in the State coffers to give to public schools, to human services and to law enforcement, those types of groups. And, again, for the forty-one million dollars, to use that figure, of State incentives, we are going to reap benefits over twenty years of an estimated 4.3 billion dollars, a hundred-and-tenpercent return on our investment, and much of that money is available for human service needs and education.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

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SENATOR LAUZEN:

Then a final question having to do with corporate income tax.

By locating five hundred plus more employees and their corporate headquarters to Illinois, is it the sponsor's opinion that Boeing will pay more in corporate income tax to the State of Illinois?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Yes, it's my opinion, as the sponsor, and that's on top of the some 4.3 billion dollars we're going to collect. I do want to point out that while Boeing's corporate income taxes are confidential, Boeing, even when they've been in Seattle, is a corporate taxpayer in the State of Illinois, and this bill can only help us receive more corporate income taxes, although that amount is unknown from the Boeing Corporation.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Lauzen.

SENATOR LAUZEN:

Then just one final observation. Even according to as crude a resource as Yahoo Internet financial profile/financial summary of the Boeing Corporation where they point out that there's a 1.2 -- one-and-a-quarter-billion-dollar profit, which is after depreciation on the jets, if you were to divide that across fifty states, it'd be about twenty-five million dollars per state. Seven and a half percent of that number is approximately 1.8 or two million dollars. Over a twenty-year life, that approximates about forty million dollars of hard cash. The question is how much of that is incremental, but the point is that it's a big number that I haven't seen in a lot of the analysis that adds to the attractiveness of this legislation. I encourage a Yes vote.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator del Valle.

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SENATOR dEL VALLE:

Yeah. Thank you, Mr. Chairman. Just a quick question for the sponsor. Senator, does the package include a Chicago utility tax exemption for Boeing?

PRESIDING OFFICER: (SENATOR WATSON)

Senator -- Senator Dillard.

SENATOR DILLARD:

Senator del Valle, in our analysis - and, again, this is a local component - there is a two-million-dollar energy grant component of some kind, and I think you need to direct your question to either Mayor Daley or -- or Chairman Stroger up in Cook County. That's not our part of it, but it's in the analysis that we have.

PRESIDING OFFICER: (SENATOR WATSON)

Senator del Valle.

SENATOR dEL VALLE:

Well, but it -- it is part of the package, and you did see that it does include a utility tax exemption. Is -- is it part of the package? I mean, you're carrying the bill.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Oh, yes, Senator del Valle. I was just saying that perhaps those local officials could answer the question better than I can, but it is part of this package. And there is a million-dollar component from the high-impact business program of the State of Illinois that does have some type of sales tax exemption on construction and a utility tax exemption in there.

PRESIDING OFFICER: (SENATOR WATSON)

Senator del Valle.

SENATOR dEL VALLE:

Thank you, Senator. So there is a utility tax exemption. I

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just want to go on record as asking one of the richest companies in the world to donate their savings from the utility tax to the energy fund so that we could help people in Chicago who can't afford those natural gas bills, pay for some of those bills. Thank you.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Parker.

SENATOR PARKER:

Will the sponsor yield?

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Parker.

SENATOR PARKER:

You have gone over extensively with Senator O'Malley a lot of the cost, but I just wanted to clarify a couple things. First of all, the only new Sections here of the special tax breaks is the extended EDGE, from ten to fifteen years, and the relocation. Is that correct? And the -- and the portion that they are paying for of the relocation, could you clarify that, please?

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

That's up to fifty percent, Senator Parker.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Parker.

SENATOR PARKER:

The other thing I thought was important to bring out, this is a Corporate Headquarters Relocation Act. So it isn't specifically just for Boeing, but this gives the opportunity for other corporations -- large corporations to come in and for -- and there's certain criteria that they would have to have to qualify to be able to get these special initiatives to help them move in to Illinois. Could you please give me those, please?

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PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Sure, Senator Parker, and it's one of the reasons I asked Senator -- or, I asked Director McDonough, why do we need relocation costs, you know, why do we need this new bill called the Corporate Headquarters Relocation Act? We've never had a company this big come to Illinois. We've retained companies, like Sears and Motorola, who are gigantic, but we've never had one come. The eligibility is, they have to have two hundred and fifty principal executive officers in their relocated headquarters in order to qualify for the benefits under the Corporate Headquarters Relocation Act, and you've got to have twenty-five billion dollars' worth of revenue, which is gigantic, in an annual basis.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Welch.

SENATOR WELCH:

A question of the sponsor.

PRESIDING OFFICER: (SENATOR WATSON)

Sponsor indicates he'll yield, Senator Welch.

SENATOR WELCH:

Senator Dillard, you referred to Boeing creating more jobs. Did they specifically say that they would be creating more jobs? If you could answer that question.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Dillard.

SENATOR DILLARD:

Well, obviously, they have to have the threshold requirement here. The economic analysis, which I believe is from Ernst & Young -- or, excuse me, it's Arthur Andersen - all those big accounting firms look alike - five hundred direct Boeing employees, three hundred professional support jobs - their total

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payroll over twenty years is nearly two billion dollars - a hundred and fifty construction jobs, and the list goes on and on and on. And a couple of things that are just amazing here: The catering bill for Boeing's headquarters, on an annual basis, is almost the forty-one million dollars in incentives that we're going to pay off over a couple of decades. That's just their catering bill. The caterer that supplies them is in the suburbs. They've already said they're going to have to hire fifty people additional just to -- just to supply Boeing. And one of the amazing statistics is -- you know, the visitors that come in to -from throughout the world to meet with Boeing's employees will provide over thirty million in hotels and meals in the Chicago metropolitan area. So, you know, the jobs are -- are astronomical. And again, Senator Welch, the figures that we have used are, for each Boeing job, five other jobs will be created exponentially in Illinois' economy.

PRESIDING OFFICER: (SENATOR WATSON)

Senator Welch.

SENATOR WELCH:

So what you're saying is, these are some pretty big eaters that are going to be hired there at Boeing.

PRESIDING OFFICER: (SENATOR WATSON)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, Boeing is not just the largest airplane company in -- in the State of Washington or in the United States; it's the largest airplane company in the world. The fact that they're going to locate their corporate offices in Chicago, in Illinois, is going to attract other companies who are going to be willing -- very, very willing to deal with Boeing, and the jobs, eventually, that such a move would bring is phenomenal. Now, in all good common sense, when you

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know this -- the largest airplane company in the world has its executive offices right here in Illinois, where do you think the executives of all -- of all these other companies are going to go when they want to deal with Boeing? They're going to come here. And that's why I hope that Mayor Daley reverses his idea of closing Meigs Field, makes it available for executives of big companies to come here, because the more they come here, the more tax money is going to be spent and the more money is going to come to the State of Illinois. And I certainly urge a favorable vote on this because this is a company -- it's a Fortune 100. The biggest airplane company in the world could locate in Illinois. That's a real plus for Illinois, and I certainly support it.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any further discussion? If not, Senator Dillard, to close.

SENATOR DILLARD:

Thank you, Mr. Chairman. Boeing is a perfect fit. It's manufacturing, it's technology, and it's transportation, which is what Illinois is all about. So, please join with me in welcoming Boeing to Illinois, and they will have a tremendous future here for our citizens. And please vote Yes on House Bill 1655.

PRESIDING OFFICER: (SENATOR WATSON)

The question is, shall House Bill 1655 pass. All those in favor, vote Aye. Opposed, vote No. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there's 51 voting Yes, 6 voting No, no voting Present. House Bill 1655, having received the required constitutional majority, is declared passed. Senator Hawkinson, for what purpose do you rise?

SENATOR HAWKINSON:

Thank you, Mr. President. For purposes of an announcement.

PRESIDING OFFICER: (SENATOR WATSON)

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Proceed.

SENATOR HAWKINSON:

The Senate Judiciary Committee will meet tomorrow morning at 9:30 a.m., in Room 400. 9:30 a.m.

PRESIDING OFFICER: (SENATOR WATSON)

Madam Secretary, Messages.

ACTING SECRETARY HAWKER:

Message from the House by Mr. Rossi, Clerk.

Mr. President - I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to wit:

Senate Bill 933, together with House Amendments 1 and 2.

I have a like Message on Senate Bill 1493, with House Amendment No. 1.

Both passed the House, as amended, May 24th, 2001.

PRESIDING OFFICER: (SENATOR WATSON)

Is there any further business to come before the Senate? If not, Senator Luechtefeld moves that the Senate stands adjourned until 9 a.m., Friday, May 25th. Have a good evening.